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Venezuela

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a market for U.S. products

Venezuela

A U. S. DEPARTMENT OF COMMERCE PUBLICATION

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By
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THIS study was prepared under the direction of Bernard J. Cahill, Chief of the West Coast Section, American Republics Division, Office of International Regional Economics. Mrs. Irene S. Johnson, statistician of the same Division, assisted in the collection and presentation of the statistical data. Photographs were obtained through the courtesy of the Creole Petroleum Corporation, Pan American Union, the Venezuelan Information Service, and W. R. Grace Company. Valuable assistance was rendered by the Commercial Section of the U.S. Embassy in Caracas and colleagues in the Bureau of International Commerce.

Foreword

THIS HANDBOOK assesses the Venezuelan market for imports, now expanding dynamically, and provides practical information for U.S. exporters interested in selling there.

Venezuela ranked eleventh in the world and second in Latin America as a market for U.S. products in 1963. Venezuela's total foreign trade—exports and imports—was the largest in Latin America in 1962, the most recent year of record. On a per capita basis, Venezuela ranks first in imports in Latin America.

The outlook for increasing sales in this market is better than at any time since Venezuela's boom year of 1957. Venezuela has no shortage of foreign exchange—official reserves are at the highest level in 7 years. Venezuela's development plan is generating a greater demand for capital goods imports. At the same time the increased output of domestic industry and the imposition of restrictions are limiting the imports of many consumer goods, but total imports are expected to increase at about 4 percent annually.

The Department of Commerce believes that sales prospects for a wide variety of U.S. goods in Venezuela are very good. United States exporters can increase their sales to Venezuela substantially, if they sell vigorously and on terms competitive with those of other supplying countries.

Eugene M. Braderman

EUGENE M. BRADERMAN
Director, Bureau of International Commerce

June 1964

Market profile—Venezuela

AREA: 352,141 square miles, about one and one-third the size of Texas.

POPULATION: 8 million, of which more than half is under 21. Increasing annualy at 3%.

PRINCIPAL CITIES: Caracas, 1.3 million in metropolitan area; Maracaibo, 421,166; Barquisimeto, 199,691; Valencia, 163,601.

CURRENCY: Bolívar. (1 bolívar = about $0.22.

GROSS NATIONAL PRODUCT: $7.8 billion in 1963. Growing annually at 6%. Petroleum accounts for 30%; iron ore and other mining, 1%; agriculture, 7%; manufacturing, 11%; commerce, 15%; services, 16%; and other, 21%.

PER CAPITA INCOME: About $570 annually in U.S. purchasing power; highest per capita income in Latin America, but unevenly distributed.

MOTOR VEHICLE REGISTRATION: 393,722 in 1962.

RADIO RECEIVERS: 2,100,000.

TELEVISIONS: 320,000.

ELECTRICITY PRODUCTION: 4.9 billion kilowatt hours in 1963. Installed capacity, 1.6 million kilowatts in 1963.

PRINCIPAL MANUFACTURING INDUSTRIES: Food processing, beverages, petroleum refining, textiles, chemicals, and metal fabricating.

MINING: Petroleum accounts for about 30% of GNP, 60% of Government revenues, and 92% of foreign exchange earnings. Iron ore, diamonds, gold, asbestos, coal, and salt mined on commercial scale.

FOREIGN TRADE: In 1962, total exports were $2.6 billion and total imports, $1 billion. Ranked tenth in world and 2d in Latin America as a market for U.S. products.

PRINCIPAL EXPORTS, 1962: Petroleum and derivatives, 93% of all export earnings; iron ore, 5%; coffee, 1%; cacao, 0.4%.

PRINCIPAL IMPORTS, 1962: Machinery and material for transport, 35% of all imports; manufactured goods, 34%; foodstuffs, 11%; chemical products, 11%; raw materials, except combustible, 4%; other, 4%.

PRINCIPAL SUPPLIERS OF IMPORTS, 1962: United States, 52% of total imports; Federal Republic of Germany, 9%; Italy, 5%; United Kingdom, 6%; Japan, 4%.

PRINCIPAL FOREIGN MARKETS: United States, 44% of all exports, direct and indirect; United Kingdom; Canada; Brazil; and Netherlands.

RESERVES: Official gold and foreign exchange reserves on February 29, 1964, were $757 million.

U.S. PRIVATE DIRECT INVESTMENT: Estimated at $2.8 billion, of which 80 percent is in petroleum. Exceeded only by U.S. investments in Canada and United Kingdom.

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CARIBBEAN SEA
COLOMBIA
CURAÇAO (Neth.)
BONAIRE
GRENADA (U.K.)
TOBAGO
TRINIDAD AND TOBAGO
Península de Paraguaná
Punto Fijo
GOLFO DE VENEZUELA
Paraguaipoa
Coro
FALCÓN
Maracaibo
Puerto Cabello
Maracay
DISTRITO FEDERAL
La Guaira
CARACAS
NUEVA ESPARTA
La Asunción
Carúpano
Ciudad Ojeda
San Felipe
Valencia
Los Teques
MIRANDA
Puerto La Cruz
Barcelona
Cumaná
SUCRE
Güiria
PORT-of-SPAIN
TRINIDAD
ZULIA
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TRUJILLO
Trujillo
Acarigua
San Carlos
COJEDES
Encontrados
Guanare
PORTUGUESA
El Tigre
GUÁRICO
ANZOÁTEGUI
Barrancas
Puerto Ordaz
San Félix
Mérida
Barinas
La Fría
MÉRIDA
BARINAS
Río Orinoco
AMACURO
SAN TOMÉ DE GUAYANA
(new urban development)
Cúcuta
TÁCHIRA
San Cristóbal
Río Apure
San Fernando de Apure
Ciudad Bolívar
Ciudad Piar
Río Arauca
APURE
Río Caroní
Río Meta
BOLÍVAR
BRITISH GUIANA
COLOMBIA
Puerto Ayacucho
Río Orinoco
Río Caura
Río Ventuari
Santa Elena
TERRITORIO AMAZONAS
BRAZIL
Río Uraricuera
Río Orinoco
Brazo Casiquiare
Río Negro
BR. GUIANA
BRAZIL
BOUNDARY REPRESENTATION IS NOT NECESSARILY AUTHORITATIVE
VENEZUELA
International boundary
Estado or territorio boundary
National capital
Estado or territorio capital
Railroad
Road
0 50 100 200 Miles
0 50 100 200 Kilometers
U.S.
Atlantic Ocean
CUBA
Dom. Rep.
Br. Hond.
Mex.
Hond.
Haiti
Caribbean Sea
Guat.
Nic.
El Salvador
Costa Rica
Panama
Pacific Ocean
VEN.
Br. Guiana
Col.
Braz.
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66
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4
2

CHAPTER I

The Venezuelan Market

UNITED STATES exports to Venezuela amounted to $507.1 million in 1963, second highest in Latin America. On a worldwide basis, Venezuela stood eleventh in 1963 as a customer of the United States, thus:

Canada	$4,119*	India	804
Japan	1,697	Netherlands	761
United Kingdom	1,161	France	678
Federal Republic of Germany	1,103	Belgium-Luxembourg	522
Italy	880	Venezuela	507
Mexico	827		

* In millions.

In spite of a long and steep decline in imports beginning in 1957, Venezuela continues to rank high as a market for U.S. products. When the 1957 decline began, U.S. exports there had reached a peak of $1,053.3 million. That year, Venezuela ranked first in Latin America and fourth in the world as a market for U.S. products. The ensuing precipitous decline in value of U.S. exports was due to:

(1) An end of an economic boom that was nurtured by an unusual world demand in 1957 for Venezuelan oil and a subsequent period of economic readjustment, balance-of-payment difficulties, and political instability.

◄ *LIFE, LIBERTY, AND THE PURSUIT OF HAPPINESS : Monument to the heroes of the War of Independence on Avenida de los Próceres, Caracas.*

(2) A continued decline in the U.S. relative share of the Venezuelan market for imports vis a vis other foreign suppliers.

(3) A commercial policy since 1959 by the Venezuelan Government strongly oriented towards the encouragement of industrialization through tariff protection for local industries.

Now, the outlook for U.S. exports to Venezuela is more favorable because:

(1) Exchange reserves of the Central Bank of Venezuela are at their highest level since 1957 and by far the largest in Latin America. They amounted on February 29, 1964, to $757 million.

(2) The nation's capacity to import is expected to grow annually at 4 percent—in line with the expected growth of petroleum production and exports.

(3) The accelerated program of economic development called for under the Four-Year Development Plan, 1963-66 is expected to generate an annual increase of 22 percent in imports of capital goods and of 3.5 percent in overall imports.

(4) The growth of local industries is both closing out the market for some goods that were formerly imported—consumer goods—and creating a demand for raw materials and capital goods not formerly supplied or supplied in not so great a quantity.

(5) Increased measures on the part of U.S. business and Government to increase exports offer prospects that the United States shall use its natural advantages more effectively to retain and even increase its relative share of this growing market.

DEVELOPMENTS AFFECTING IMPORTS

Venezuela enjoyed unprecedented growth in 1950-57 with gross national product increasing 9.5 percent annually.

The growth was spurred by an expanding world market for petroleum as a result, in large part, of unusual developments, such as the Iranian nationalization of oil and the Suez crisis. Venezuelan production and earnings from exports then rose rapidly and provided the stimulus for growth in other sectors of the economy. During this period, Venezuela enjoyed a very strong balance-of-payment position. Indeed, in spite of a 17-percent annual increase in imports, an increase in service payments, and withdrawal of some capital, balance-of-payment surpluses amounted to $421 million in 1956 and $501 million in 1957. Exchange reserves of the Central Bank thus increased steadily to a peak of $1,445 million in 1957.

The Venezuelan boom, fed on speculation centering around petroleum, came to an end when the crisis in the Middle East abated and new sources of petroleum came into production in other parts of the world. The rate of economic growth declined after 1957, as petroleum, construction, and other activities were cut back sharply. An economic recession followed and was made worse by the political instability that followed the overthrow of the dictatorship in 1958. Growth in the gross national product declined to 3 percent anually in 1958–61, and the annual surpluses in the balance-of-payment turned into deficits of 383.2 million in 1958, $465 million in 1959, $308.9 million in 1960, and $18.3 million in 1961. Exchange reserves of the Central Bank, which had stood at a record $1,445 million in 1957, were down to $533.6 million in 1961. While earnings from exports held up reasonably well, changes in the capital accounts were the principal cause of the deterioration in the balance of payments. Energetic measures were taken to revive the economy and to check the drain on exchange reserves through import duty hikes, quantitative restrictions, and ex-

change controls. As a result, total imports fell sharply from $1.8 billion in 1957 to $985 million in 1962. Thus, these measures had the desired effect.

By the end of 1961, the Venezuelan recession was at an end and its balance-of-payment equilibrium virtually restored. The economy displayed renewed vigor with gross national product up 6 percent in 1962 over that in 1961 and the balance of payments showing a surplus of 77 million, the first since 1957. Economic growth continued throughout 1963 with gross national product up 4 to 5 percent over that in 1962 and with exchange reserves of the Central Bank at $740 million, the highest since 1957. The outlook was further improved in December when presidential and congressional elections were held—in spite of threats of terrorist attacks—and a moderate left of center government was elected.

During early 1964, there were increasing signs of confidence, the economy maintained a rapid rate of growth, and the nation's balance-of-payment position continued to improve.

Total imports in 1963 are expected to record their first increase since 1957. United States exports to Venezuela reversed their downward trend in 1963 and increased 8 percent over those in 1962, climbing to $507.1 million.

With equilibrium restored, a sound basis has been established for implementing the ambitious economic development goals called for by the Four-Year Development Plan.

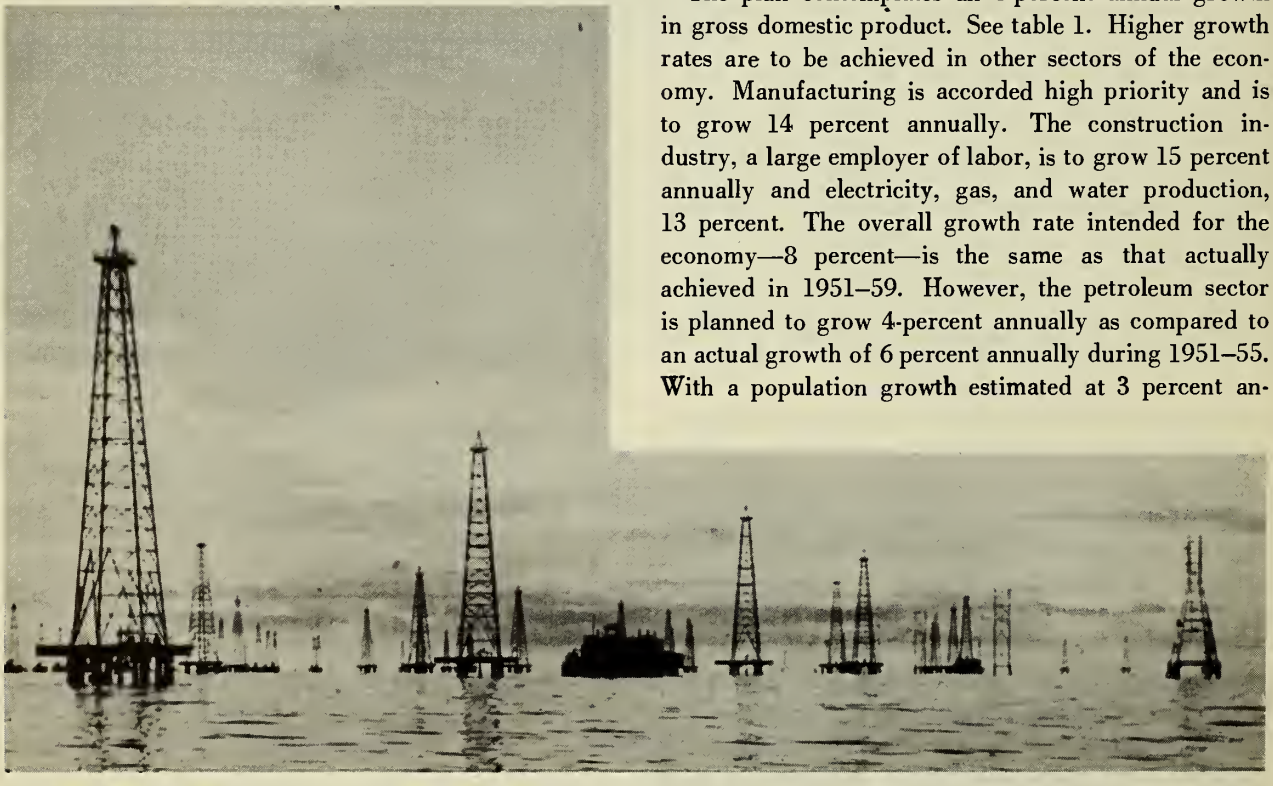
At the outset of 1964, the trade outlook was considerably improved. Exchange reserves of the Central Bank were at the highest level since 1957 and the highest in Latin America. In addition, the nation's capacity to import during the 1960's is expected to grow 4 percent per year, or equal to the growth of petroleum production and exports. At the same time, the accelerated program of economic development called for under the Four-Year Development Plan is expected to generate a 3.5-percent annual increase in overall imports.

United States suppliers can participate fully in the growth of this expanding market provided they can meet the competitive challenge of other suppliers.

FOUR-YEAR DEVELOPMENT PLAN

In keeping with the goals of the Alliance for Progress, which calls for rapid economic and social development, Venezuela's Four-Year Development Plan—Plan de la Nacion, 1963–1966 charts the development goals for the nation.

The plan contemplates an 8-percent annual growth in gross domestic product. See table 1. Higher growth rates are to be achieved in other sectors of the economy. Manufacturing is accorded high priority and is to grow 14 percent annually. The construction industry, a large employer of labor, is to grow 15 percent annually and electricity, gas, and water production, 13 percent. The overall growth rate intended for the economy—8 percent—is the same as that actually achieved in 1951–59. However, the petroleum sector is planned to grow 4-percent annually as compared to an actual growth of 6 percent annually during 1951–55. With a population growth estimated at 3 percent an-



PRINCIPAL OILFIELD : The Tia Juana Field, Lake Maracaiba, continues to produce plenty of petroleum from its multiple wells.

nually, per capita income is expected to grow 5 percent per year.

The plan calls for total investments of 28 billion bolívares, or $8.3 billion,[1] amounting to 20 percent of gross domestic product, over the 4-year period. Of this total, 14 billion bolívares, or 50 percent, is to be financed from private domestic savings, 10.3 billion bolívares, or 37 percent, from public domestic savings, and 3.7 billion bolívares, or 13 percent, from public and private sources abroad.

The plan anticipates an increase of 3.5 percent annually in the total value of imports. See table 2. Imports of capital goods are to increase 22 percent annually and manufacturers in general 4 percent annually.

U.S. SHARE OF MARKET

The United States still supplies more than 50 percent of total Venezuelan imports. See table 3. The Federal Republic of Germany, Canada, Italy, France, and Japan have improved their share in this market.[2]

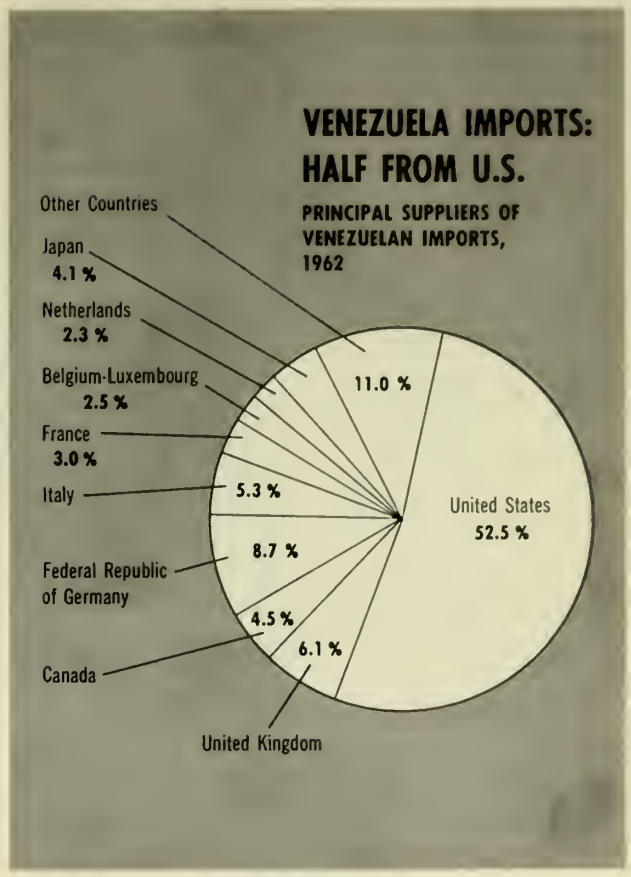
The decline in U.S. share of this market reflects, in part, a return to the pre World War II trade pattern. With the recent strong recovery of Japan and Europe, there has been a resurgence of competition. Today, more than just an order book and pencil are required to sell in this market. Prices, credit terms, quality, services, and sales promotion are the principal factors affecting sales.

FACTORS AFFECTING SALES

The Venezuelan market is highly responsive to prices, and U.S. competitors seek to increase their sales in Venezuela by trimming prices whenever possible. For example, intensive price competition from other foreign suppliers has reduced the U.S. share of sales for typewriters, adding machines, calculators, aluminum products, machine tools, turbines, elevators, hospital supplies, transformers, electric motors, radios, phonographs, industrial chemicals, agricultural equipment, and iron and steel mill products. It is important for the U.S. producer to minimize not only his factory cost but every other cost, including shipping and handling charges and middlemen's and distributor's markups to assure a final price that is fully competitive. Many alert U.S. companies are already doing this and, of course, selling successfully in this market.

[1] Converted at average rate of 3.61 bolívares equal $1.

[2] In some cases, products imported from these countries are produced by the foreign subsidiary of a U.S. firm, which, because of lower labor costs or other factors, is supplying the Venezuelan market from its subsidiary abroad.



Next to price, credit and terms of payment usually are the most important factors in this market. While the cost of money is not so high as in other Latin American countries, it is generally higher than in the United States or in European countries. Commercial banks in Caracas charge 8 percent for prime loans. Improved economic conditions and increasing competition in this market have brought about a general liberalization of terms by foreign suppliers.

Equally important is the need to be selective in extending credit terms. Many importers who, over the years, have carefully built up reputations for prompt payment expect liberal credit terms that are in keeping with their credit standing. Such importers object to a supplier who extends for his product line the same terms to all comers, regardless of credit standing.

On the sale of machinery or other goods sold under medium- or long-term financing, the exporter should be prepared to assist actively the importer in obtaining financing. The exporter can be especially helpful with importers who require financing from such institutions as the Export-Import Bank of Washington and the Inter-American Development Bank.

***ONE-STOP VENEZUELA SHOP** : One store in only U.S. chain of department stores there.*

In addition, the supplier must frequently be willing to finance the importer or to obtain financing. The availability of export guarantees and credit insurance through the Export Credit Insurance Association makes available to U.S. exporters credit facilities fully comparable to those offered by other exporting countries. For information on these facilities, see article in March 25, 1963 issue of INTERNATIONAL COMMERCE entitled "U.S. Export Credit Insurance and Guarantee Programs" and Export-Import Bank of Washington publication entitled "Financing and Insurance for American Exports," 1963.

The U.S. exporter has a distinct advantage in quality of product since, over the years, U.S. goods have established a well-earned reputation. In many cases, quality may offset other factors, such as a higher price. However, quality is not an unmixed blessing because in some cases the U.S. product may be too advanced for this market and thus less desirable than the less efficient product of another supplier. For example, machinery produced in the United States is frequently the most up-to-date available, capable of producing, at extremely high speed, a product of the highest standard of quality. But such a machine may find little acceptance in the Venezuelan market. Even when producing for the mass Venezuelan market, the machine could satisfy the market in a relatively short time and then stand idle. Moreover, the high standard of the product itself is also likely to limit its distribution to the luxury trade, further restricting the market. A slow speed, less efficient machine, producing a simple but well-made product, devoid of frills or gadgets, is likely to have acceptance in this market.

Closely related to quality is the need to adapt the product to the characteristics of the market. The U.S. supplier may choose to leave his product unchanged and satisfy himself with the relatively small luxury trade or modify his product to the characteristics of the mass market. In any case, use of the metric system or of 60-cycle electric current throughout most of Venezuela but 50-cycle electric current in Caracas are examples of factors necessitating changes in the product. Willingness to adapt the product carefully to local conditions and to sell in small lots are factors that may determine the acceptance of the product.

A product is often sold in Venezuela by reason of the availability and the quality of the service offered by the seller. The United States has advantages that frequently are decisive. For example, good telephone and telegraph connections permit careful attention to orders and follow through when problems arise. Overnight air service brings U.S. factory technicians quickly to Venezuela and permits prompt replacement of parts from the U.S. stocks.

These advantages are, at times, nullified by the indifference and neglect with which a few U.S. suppliers occasionally treat orders from Venezuela. Thus, the U.S. supplier who refuses to accept small orders, to extend competitive terms, to provide prompt and efficient service, and to entertain reasonable requests for product modification does exist and unfortunately creates a general impression that U.S. suppliers are less interested in foreign orders than their European

and Japanese competitors and tend to regard foreign orders as marginal to their domestic business.

Selection of an aggressive, capable representative who has the resources and standing to promote effectively the sale of the product is of the first importance. The type of representation will, of course, vary from company to company. See Chapter IV, Trade Practices. But a clear understanding with the agent and willingness to support him fully with technical assistance, Spanish literature, periodic visits, and other promotional assistance are equally important.

Too frequently, the Venezuelan buyer does not know about the U.S. product, particularly in the less sophisticated markets outside Caracas. Immigration from Europe has been heavy in recent years, and technicians in Venezuelan plants are frequently of European origin. These Europeans frequently purchase products from the old country because of their unfamiliarity with so much as the name of a comparable U.S. product to say nothing of its characteristics and competitive advantages. These technicians and other Venezuelan buyers can be sold on U.S. products if told about the overall advantages. They can be reached through an aggressive and technically qualified representative who is capable of covering the national market.

INDUSTRIALIZATION AND IMPORTS

Although manufacturing grew 13.6 percent annually throughout 1950–57, manufacturing in Venezuela in 1959 was still relatively retarded as compared with that in countries of similar per capita income or even with the more advanced economies of South America itself. The availability of foreign exchange with which to purchase goods abroad did not, of course, impose the urgency for industrialization that existed in other Latin American countries.

Balance-of-payment difficulties, unemployment, and greater awareness of the need for diversification were among the factors that prompted the new government in 1959 to intensify its program for industrialization. The Government declared a policy of according strong protection to local industries through import duties, import license requirements, and tie-in arrangements whereby local purchase, in a specified ratio, is required for each unit of product imported. In addition, the Government may grant import duty exoneration for imports of machinery and raw materials intended for use by local industries. See Chapter V, "Regulation of Imports."

***U.S. GOODS AND SERVICES** : Men and materials from the United States help industrialize Venezuela.* ➔

SPOOL BANK : Venezuela's dynamic textile plants offer the U.S. textile machinery makers the pleasing prospect of good sales.

Although the rate of growth declined with the recession, manufacturing advanced annually at 6 percent in 1961, 12 percent in 1962, and 12 percent in 1963. Manufacturing has advanced in recent years at almost twice the rate of growth of the gross national product. By 1963, this sector comprised 12 percent of the gross national product compared to 11 percent in 1958 and 9 percent in 1950.

The total value of manufactures in 1962 reached 3.9 billion bolívares, or $100 million at average selling rate of 3.96 bolívares equal $1. The value was accounted for as follows, in percent of total:

Food	19.8	Paper and paperboard	2.4
Beverages	14.4	Vehicles	2.0
Petroleum products	10.5	Tobacco	2.2
Textiles	6.3	Wood	1.3
Chemicals	6.1	Furniture	.9
Metals	4.8	Hides and skins	.9
Graphic arts	4.8	Electrical equipment	.4
Nonmetallic minerals	4.4	Artisan manufactures	10.7
Wearing apparel	3.0	Miscellaneous	1.6
Rubber	2.8		

The growth of industry has greatly increased the ability of the domestic economy to satisfy domestic demand. By 1962, Venezuela's domestic economy was supplying 62 percent of the total consumption of goods. Ninety-two percent of the total consumption of meat, 51 percent of the fish, 38 percent of the milk, cheese, and eggs, 97 percent of the fats and oils, and 97 percent of the sugar and confections are supplied by local industry. Similarly, local industries supply 98 percent of the beverages and virtually all of the cigarettes, other tobacco products, wearing apparel, and furniture consumed in Venezuela. Even in consumer durable goods, local production now satisfies about 32 percent of the market as compared to 27 percent in 1959. Local manufacturers are now supplying or will soon be supplying the market for automobiles, radios and televisions, and refrigerators, stoves, and other household appliances.

Naturally, these developments have had an effect on the composition of Venezuelan imports. Many food, tobacco, beverage, rubber, textile, paper, and other products formerly imported in significant amounts have been closed out as local plants—frequently representing U.S. capital participation or operating under licensing agreement with U.S. firms—have initiated production. At the same time, a need arose for different raw materials and machinery to supply the new industries.

Data on the composition of Venezuelan imports, 1959–62, are somewhat distorted by the recession and the balance-of-payment difficulties but do reveal the changing composition of imports. Food products and beverages and tobacco indicate a gradual percentage decline while chemicals and crude materials show an increase. See table 4.

The Four-Year Development Plan anticipates a continuation of the present trend in the composition of Venezuelan imports. Agricultural imports and imports of manufactured goods—exclusive of capital goods—are expected to decline annually at 9 and 5

percent, respectively, as these sectors of the local economy grow increasingly self-sufficient. But, imports of capital goods are expected to rise 22 percent annually and total imports, 3.5 percent annually.

CLASSES OF IMPORTERS

The market for imports in Venezuela may be grouped into four major classes.

First, there is the very large general class of commerce and industry, which accounts for at least 85 percent of total imports. See table 5. Imports intended for this class of importers are ultimately destined for sale to small and medium businesses or retailers. Such imports are usually made through import houses, commission agents, brokers or other middlemen, the larger department stores, chain stores, and some fabricators. Imports for this class consist largely of raw materials and machinery and equipment but cover a wide variety of other imports, including food and other consumer goods.

Second, the Government and its autonomous agencies are principal importers. Their purchases amounted to $52.4 million, or 5 percent of total imports, in 1962. The National Government is thus the single largest importer even though there has been a relative cutback in its purchases. Machinery and equipment are the single largest category of imports but construction materials and consumer goods are also included. See also section, Government Purchasing in Chapter IV.

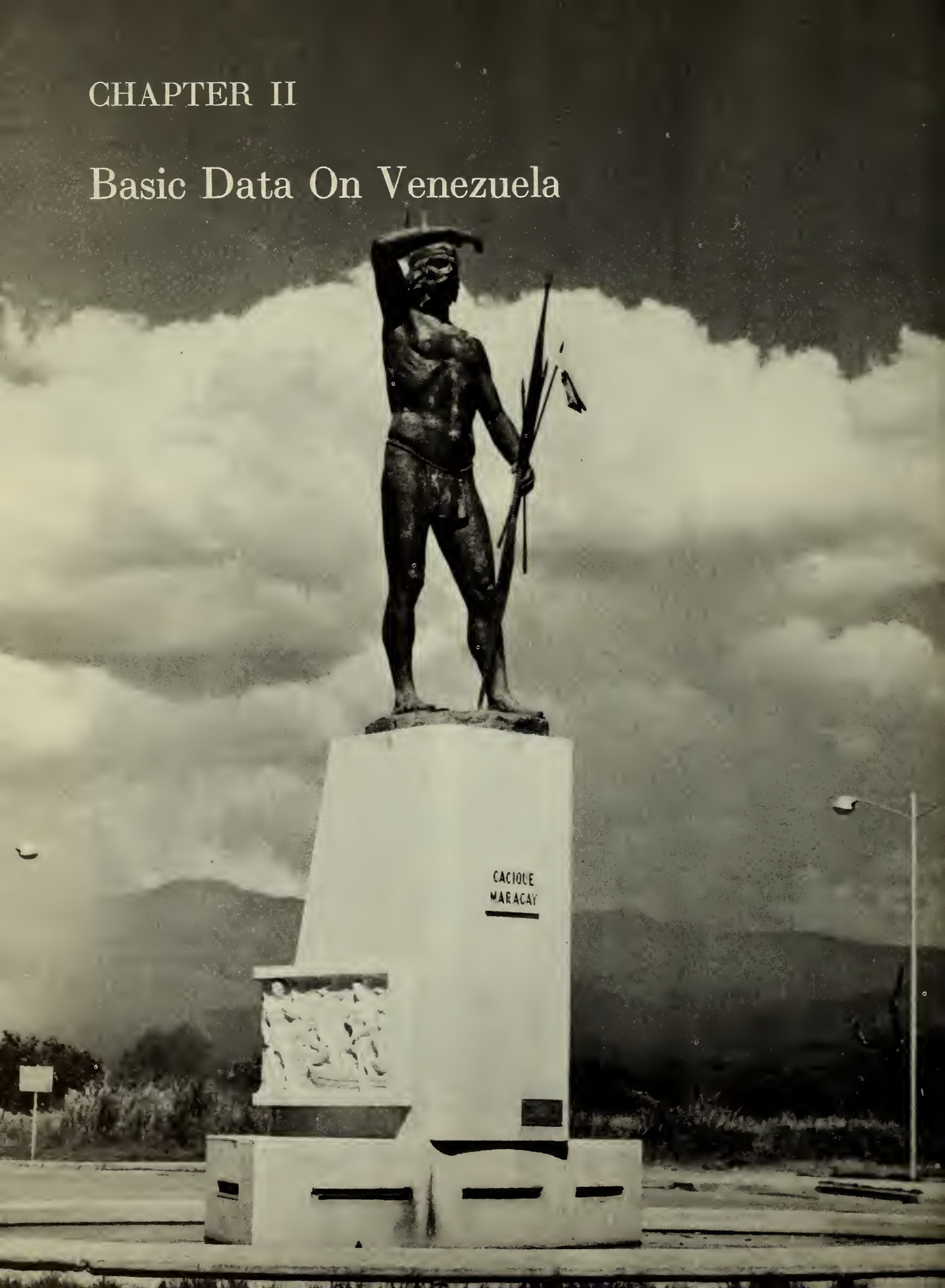
Third, the petroleum companies imported $66.9 million, or 7 percent of total imports, in 1962. With the no-new-concession policy of the Government limiting petroleum exploration, imports of the petroleum companies declined to 7 percent of all imports from the peak in 1957 when this category comprised 22 percent of total Venezuelan imports. The petroleum companies are authorized to procure much of their requirements directly from local Venezuelan sources or from agents of foreign suppliers in Venezuela. However, many of the larger purchases are made through the head offices in the United States and England.

The fourth class of importers comprise the mining companies. They imported $5.4 million worth of goods in 1962. Orinoco Mining Company and Iron Mines Company of Venezuela—subsidiaries of United States Steel Company and Bethlehem Steel Company, respectively—account for most of these purchases. As in the case of the petroleum companies, these firms are authorized to buy much of their supplies direct although some major purchases are made through the head offices in New York City.

BIG INCH WORKS : Seamless steel pipe at San Tome de Guayana mill that uses steel from next door plant that smelts local iron ore.

CHAPTER II

Basic Data On Venezuela



VENEZUELA, located approximately 2,000 miles south-southeast of New York and about 1,200 miles southeast of Miami, is situated on the northern coast of South America.[1] It is bounded on the north by the Caribbean Sea and the Atlantic Ocean; on the east by British Guiana, on the southeast by Brazil, and on the west and southwest by Colombia. Covering an area of 352,141 square miles, Venezuela is the sixth largest country in South America. It is one-third larger than the State of Texas. It has a coastline on the Caribbean Sea and the Atlantic Ocean of 1,748 miles. It has more than 1,000 rivers—the longest being the 1,240-mile long Orinoco, which is the eighth longest river in the world and the second longest in South America.

VENEZUELA'S FOUR REGIONS

The country has four main geographic regions: the Lake Maracaibo Basin, the Andean Highlands, the llanos, and the Guayana Highlands.

(1) The Lake Maracaibo Basin is a V-shaped lowland, enclosed in a fork of the Andes Mountains. The population of the region is 908,733, of which 77 percent is urban. This region accounts for about three-fourths of Venezuela's petroleum output and contains some of Venezuela's best agricultural and cattle lands. The region comprises only 7 percent of the territory of Venezuela but contains 12 percent of the total population. Maracaibo is the principal distribution center and is Venezuela's second largest city, accounting for 49 percent of the region's population. The region is only 23 percent rural. Climate is hot and humid, with the average temperature 83°F. and the average humidity 77 percent in the city of Maracaibo.

(2) The Andean Highlands extend north and south in an arc from Colombia in the southwest and then east and west along the coast to the tip of the Paria Peninsula in Sucre State. The population of this region totals 4,937,604 of which 57 percent is urban. While representing only 12 percent of Venezuela's land area, this region contains 65 percent of the population and provides most of the national income. Most of Venezuela's principal cities are located in this region, including Caracas, Barquisimeto, Valencia, Maracay, San Cristóbal, Cumaná, and Mérida. Venezuela's growing manufacturing industries are concentrated in Caracas and the nearby cities of Valencia and Maracay. The region also contains some of Venezuela's best agricultural land, particularly around Valencia. The climate is mostly mild. In the higher elevations it is cool and moist, but in the lower elevations of the coastal area it can be very hot and humid. Caracas, situated at an elevation of 3,018 feet, enjoys very pleasant temperatures which range from an average of 66°F. in January to 71°F. in May. Humidity is low.

(3) The llanos are a broad, low, alluvial plain extending from the base of the Andes east to the Orinoco River Delta. The population totals 1,440,371 of which 40 percent is urban. This region comprises 36 percent of the national territory but only 18 percent of the population. Maturín (54,250), Barinas (25,895), El Tigre (42,028), Guanare (18,476), San Fernando de Apure (24,443), and San Carlos (11,935) are the principal cities in this region. The climate is generally hot and dry, but torrential rains are common from April to October. During the rainy season, much of the land is under water. Cattle raising has been the principal pursuit of the region, but other agricultural activities are increasing in significance.

(4) The Guayana Highlands is a sparsely settled region, lying south and east of the Orinoco River. It comprises 45 percent of the national territory, but its population of 225,000 amounts to only 3 percent of the national total. The region is rich in minerals, such as iron ore, gold, and diamonds, and also contains extensive forests. San Tomé de Guayana is rapidly developing as an industrial complex around a new steel industry and the possible development of an aluminum reduction and other metalworking industries. Ciudad Bolívar, however, is the principal distribution center of the region. Angel Falls, the highest waterfall in the world, is located in this region. The climate is generally hot and humid.

POPULATION AND PRINCIPAL CITIES

Venezuela's population, according to the official census of February 26, 1961, was 7,555,799 as compared to 5,091,543 in the 1950 census. It was estimated at 8,255,456 on December 1, 1963. It has in-

[1] The geography of Venezuela and its effect on the Venezuelan market are described in more detail in the U.S. Department of Commerce publication, *Basic Data on the Economy of Venezuela*, Overseas Business Reports, No. 63-132, October 1963. Other factors in the Venezuelan market are also dealt with in that report; for example, climate, population characteristics, income and consumption patterns, and overall level of foreign trade.

← ***VIGILANCE : Indian Chief Maracay, Maracay, Venezuela.***

TWIN TOWERS, SIMON BOLÍVAR CENTER, CARACAS : Two of the buildings erected in the $300,000,000 construction of this center.

creased 3.5 percent annually—one of the highest rates in the world. Population in each of the 20 States and other Federal entities is reported in table 6.

Sixty-two percent of Venezuela's population lives in urban centers, i.e., in communities of 2,500 or more inhabitants. These communities consist of 227 centers. See table 7.

Among the principal cities [2] is Caracas, the National Capital, the political, financial, cultural, industrial, and commercial center of Venezuela. The population of the metropolitan area of Caracas is 1.1 million persons, or 15 percent of the total population. Forty percent of personal disposable income and 60 percent of the nation's industrial production are concentrated here. The nearby town of La Guaira serves as its seaport and the adjacent town of Maiquetiá as the site of an international airport. A superhighway, i.e., an autopista, connects La Guaira and Maiquetiá with Caracas.

Maracaibo, the second largest city of Venezuela, owes its importance to the oil industry that has developed on the periphery of Lake Maracaibo. It is the commercial center for the State of Zulia, the Andean States of Mérida, Táchira, Trujillo, and part of the State of Falcón.

Barquisimeto, the third largest city, is strategically located both as a gateway to the Andean and to the llanos regions and as an important agricultural processing center

Valencia and Maracay are, after Caracas, the two principal manufacturing centers, having attracted many U.S. firms. These cities are situated in a rich agricultural region.

San Cristóbal is a coffee center and the gateway to Colombia. Cabimas and Ciudad Ojeda, situated on the east coast of Lake Maracaibo, owe their significance to the petroleum activities on the eastern shore of the Lake. Cumaná, in the east, is the center of the sardine canning industry and an international port of some significance. Ciudad Bolívar, also in the east, is a major river port 270 miles from the mouth of the Orinoco River. San Tomé de Guayana, in the east, is a new city, incorporating the former towns of Puerot Ordaz, San Félix, and Palua, and the center of a rapidly growing industrial complex that is built around mineral and hydroelectric resources. Puerto Cabello, the country's second leading port, is the shipping center for the States of Lara, Yaracuy, and Carabobo while Puerto La Cruz, including Guanta and Barcelona, is the port and distribution center for the eastern region of Venezuela. Valera and Mérida, in the Andean States of Trujillo and Mérida, are agricultural distribution centers and popular tourist centers. Coro, in the State of Falcón, is a distribution center serving the Petroleum refining centers on the Paraguaná Peninsula. Maturin and El Tigre are petroleum centers in the east.

[2] See, also, the appendix, Commercial Regions of Venezuela.

The principal cities and towns of Venezuela, 1961, were:

	Locations by State	*Population*
Metropolitan Caracas [1]	Federal District and State of Miranda.	1,101,147
Maracaibo	Zulia	421,166
Barquisimeto	Lara	199,691
Valencia	Carabobo	163,601
Maracay	Aragua	135,353
San Cristóbol	Táchira	98,777
Cabimas	Zulia	92,656
Cumaná	Sucre	69,630
Ciudad Bolívar	Bolívar	64,133
Puerto la Cruz	Anzoátegui	59,099
Maturín	Monagas	54,250
Ciudad Ojeda	Zulia	54,247
Puerto Cabello	Carabobo	52,222
San Tomé de Guayana [2]	Bolívar	50,000
Valera	Trujilo	46,646
Mérida	Mérida	46,409
Coro	Falcón	45,368
Barcelona	Anzoátegui	42,267
El Tigre	Anzoátegui	42,028

[1] Metropolitan Caracas includes important suburbs, such as El Valle, El Racreo, Petare, Maiquetia, Le Vega, Chacao, and Baruta. Caracas proper has a population of 786,710.
[2] Estimate.
Source: Based on data of Ministerio de Fomento, *IX Censo Nacional de Poblicacion, Resultados Preliminares por Centros Poblados*, 1962, Caracas.

Seventy percent of the Venezuelan population is classified as mixed, 20 percent white, 9 percent colored, and 2 percent Indian.

During the 1950's, immigrants arrived mainly from Europe—Spain, Italy, Portugal—and the West Indies. In the 60s, immigration has been insignificant in amount. All told, there are today 700,000 immigrants.

About 80 percent of the population lives in the northern highland or coastal regions. The Maracaibo Basin, the llanos, and the Guayana Highlands are sparsely populated. Half of the population is under the age of 18. Fifty percent of the population was estimated as literate in 1958, but even more in recent years.

The labor force is estimated at 2,570,000 and distributed as follows, in percent of total: agriculture, 34; petroleum, 2; manufacturing, 11; commerce, 10; services, 21; and other activities, 22.

Spanish is the official language and most of the population is Roman Catholic. Life-expectancy is estimated at 63.5 years, which is well above the average for Latin America.

Venezuela's culture has strong roots in Spain although modern Venezuela has a cosmopolitan background of race and culture which blends traits of southern Europe, northern and eastern Europe, the African Negro, and the indigenous Indians.

About 17,000 United States citizens live in Venezuela, most of whom are representatives or employees

CARACAS : Its import houses, distributors, and agencies.

of U.S. firms operating there. The majority reside in Valencia, Caracas, Maracay, and Maracaibo, but a number live in oil camps and other petroleum installations in the States of Zulia, Anzoátegui, Monagas, Falcón, Guárico, and Barinas and the Territory of Delta Amacuro. Another large group of U.S. citizens lives near San Tomé de Guayana in Bolívar State close to U.S. iron ore mines and the new steel mill.

INCOME AND CONSUMPTION PATTERNS

Per capita income in Venezuela, in terms of U.S. purchasing power, is $570 annually, the highest in Latin America. However, disparity of income is also greater than in most Latin American countries. It is estimated that 10 percent of the total number of families in Venezuela receive 50 percent of the national income whereas 45 percent of the total number of families receive 10 percent of the national income. This wide variation in income distribution is, of course, a factor severely limiting the size of the market for most imports to about one-quarter of the total population. An estimate of the structure of annual family income distribution for 1962 is presented in table 8.

Income varies greatly among different cities, regions, and different industries.

Per capita income in the city of Caracas is probably the highest in the country. In Valencia and Maracay—cities with highly productive manufacturing industries—and in petroleum centers such as Maracaibo, Cabimas, Lagunillas, and Punto Fijo the difference in per capita income as compared to Caracas is not excessive. However, per capita income in cities, such as Barcelona and Cumaná in the East and in smaller towns in the interior, are, in many cases, as much as 30 percent less than in Caracas. Living costs in these towns are less than in Caracas; therefore, the difference in real income may not be too great.

On a regional basis, per capita income is highest along the coastal mountain range, extending from Caracas west to Valencia and into the Maracaibo Basin. Per capita income in the Andean agricultural valleys and in the llanos are generally depressed. In the eastern coastal region around Barcelona, Puerto La Cruz, and Cumaná income levels are most depressed.

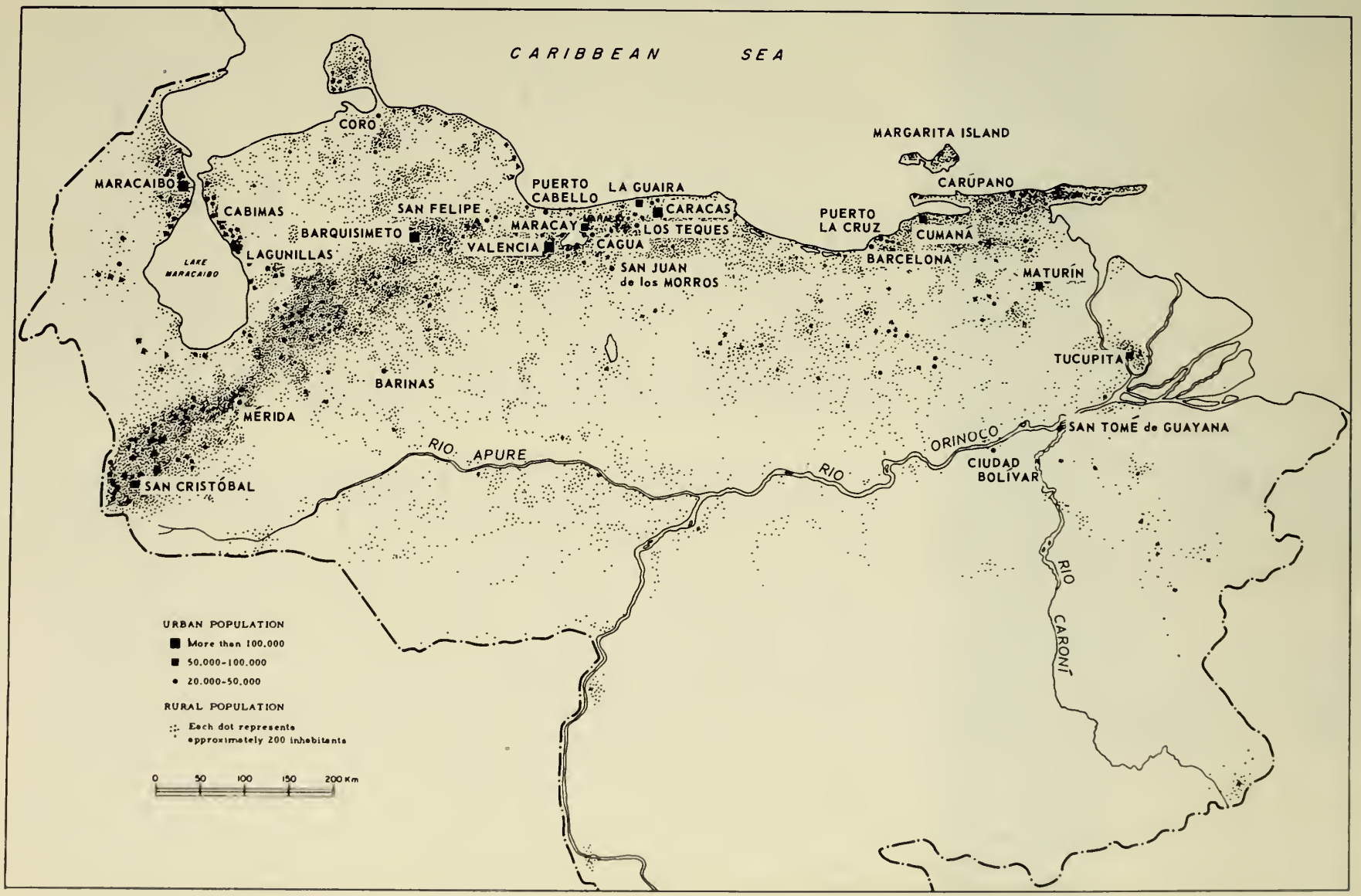
Per capita income also varies extensively among industries. The 35,000 workers employed by the petroleum industry are the highest paid. Their average total remuneration is 28,000 bolívares, or $7,500, per year. The workers in the iron ore industry and in the new manufacturing plants located in Valencia and Maracay also command generally high incomes. The average per capita income declines in other economic activities; in agriculture, the lowest incomes prevail. The campesino masses, which comprise 750,000 workers, are estimated to have annual incomes which range from 300 bolívares, or $90, to 1,000 bolívares, or $267.

The medium monthly salary of empleadoes, i.e., white collar workers, in the city of Caracas in 1961 amounted to 638.3 bolívares, or $171.7.[3] For male

[3] Banco Central de Venezuela; *Memarie*, 1952, Caracas.

SUPERMARKET IS A MERCADO IN MARACAIBO : Distribution of foreign and local goods to western Venezuelans goes on day in and out.

POPULATION


CARIBBEAN SEA
CORO
MARACAIBO
CABIMAS
BARQUISIMETO
LAGUNILLAS
LAKE MARACAIBO
SAN FELIPE
PUERTO CABELLO
LA GUAIRA
CARACAS
MARACAY
LOS TEQUES
VALENCIA
CAGUA
SAN JUAN de los MORROS
MARGARITA ISLAND
CARÚPANO
PUERTO LA CRUZ
CUMANA
BARCELONA
MATURÍN
TUCUPITA
BARINAS
MÉRIDA
SAN CRISTÓBAL
RIO APURE
RIO ORINOCO
SAN TOMÉ de GUAYANA
CIUDAD BOLÍVAR
RIO CARONÍ
URBAN POPULATION
More than 100,000
50,000-100,000
20,000-50,000
RURAL POPULATION
Each dot represents approximately 200 inhabitants
0 50 100 150 200 Km

HIGHWAY CONSTRUCTION CREW : Men use low-cost machniery in building new Venezuelan highway.

employees, the medium monthly salary amounted to 733 bolívares, or $196, whereas for female employees it amounted to 396 bolívares, or $106. Salaries in cities such as Valencia, Maracay, or Maracaibo are only slightly below these averages, but are significantly less for other parts of Venezuela. Medium monthly remuneration in Caracas for employees in manufacturing industries amounted to 677 bolívares, or $181, in construction to 696 bolívares, or $186, in commerce to 810 bolívares, or $217, in transport to 799 bolívares, or $214, and in services to 717 bolívares, or $192.

Medium monthly salaries are considerably higher in industries which require high technical proficiency and have high productivity. Employees working for the foreign-owned petroleum and iron ore mines are the highest paid in Venezuela, receiving monthly remuneration of 2,905 bolívares, or $640, and 1,877 bolívares, or $502, respectively. Those employed in automotive assembly receive 1,425 bolívares, or $381, while those employed in the rubber industry receive 1,304 bolívares, or $349, and those in banking and insurance receive 1,120 bolívares, or $298, monthly.

Average wage rates in Caracas for manual labor range from 10 bolívares, or $2.67, per day for unskilled labor to 30 bolívares, or $8.02, per day for skilled workers. Selected wage rates are reported in table 9. Wage contracts in Venezuela, as in most Latin American countries, provide for the semana corrida, which requires payment for Sundays—a holiday—if the worker has worked 6 consecutive days. Wage rates in the country are approximately 10 percent less than those in Caracas.

Consumer expenditures, on a per capita basis, amount to $540 annually. See table 10. Expenditures, by type, follow to a great extent the usual pattern in developing countries. However, there are notable differences that reflect the Venezuelan consumer's growing ability to allocate an increasing share of his income to items other than immediate and absolute essentials. Thus, the percentage of total expenditure allocated to food purchases in Venezuela (30 percent) is significantly less than in Ecuador (44 percent), Honduras (38 percent), or Peru (39 percent) but greater than in Canada (23 percent). Similarly, the percentage of total expenditures allocated for beverages or wearing apparel in Venezuela is proportionately less than in other developing countries. On the other hand, the percentage of total expenditures allocated to personal care and medical services in Venezuela (8.5 percent) is significantly greater than in Ecuador (5.3 percent), Honduras (4.4 percent), or Peru (4.7 percent). The percentage of consumer expenditures allocated to transportation (including automobiles), entertainment, and education and other services is greater than in most developing nations.

Families in lower income groups—those with incomes ranging from 600 bolívares, or $160, to 2,000 bolívares, or $535—were found to allocate 47 percent of income for food, 11 percent for housing, 8 percent for wearing apparel, 5 percent for medical services and savings, 14 percent for social security, union dues, time payments on durable goods purchases and other amortization payments, and 15 percent for tobacco, recreation, gifts, and other similar expenditures.[4]

[4] Ministerio de Hacienda, *Memoria*, 1962, Caracas.

STRUCTURE OF ECONOMY

Venezuela's gross national product in 1963 was estimated at $7.8 billion at current market prices. She follows Brazil and Mexico and ranks about even with Argentina, among Latin American nations, in the total value of goods and services produced. However, since Venezuela has but 8 million population, she is unexceeded in Latin America in per capita income, which is estimated at $570 annually, expressed in U.S. purchasing power.

Throughout the 1950's, Venezuela's economy advanced 8 percent anually. Growth abated in 1960–61 but accelerated again in 1962 to 6.3 percent and continued to advance in 1963. See table 11. The Four-Year Development Plan calls for an annual increase of 8 percent in GNP in each of the years 1963–66.

Petroleum plays a predominant role in the economy, accounting for almost one-third of the gross domestic product. Other sectors of the economy have advanced with petroleum mining. Manufacture, commerce, mining, and power have, in fact, increased their relative shares of the gross domestic product. Manufacture, in particular, increased its relative share of gross domestic product from 9 to 12 percent by 1963. But agriculture did not keep pace with the rapid growth of the economy during the 1960's: its output increased 5.5 percent annually. This rate of increase has accelerated since 1958. The development of important iron ore deposits during the 1950's accounts for the rapid growth of the mining sector. See table 12.

The Four-Year Development Plan intends to reduce Venezuela's dependence on petroleum by accelerating the rate of growth in other sectors. Thus, while petroleum production is expected to increase annually at 4 percent, the manufacturing sector is to grow at 14 percent, agriculture at 8 percent, and services, including Government, at 7 percent. Venezuela plans to use her substantial earnings from petroleum to help finance development in these sectors.

SIGNIFICANCE OF FOREIGN TRADE

Exports account for 31 percent and imports for 14 percent of Venezuela's gross domestic product. Foreign trade, therefore, has a significant effect on the country's economy. The economy is particularly sensitive to developments in petroleum from which comes most of the foreign exchange income.

In value of foreign trade, Venezuela ranks first in Latin America. The total value of both its exports and imports in 1962 reached $3.6 billion as compared with $2.7 billion for second place Brazil, $2.6 billion for third place Argentina, and $2.2 billion for fourth place Mexico. With respect to imports alone, Venezuela in 1962 ranked in fourth place with total imports of $1 billion in 1962 as compared with $1.5 billion for Brazil, $1.5 billion for Argentina, and $1.4 billion for Mexico. On a per capita basis, Venezuela in 1962 ranked first with imports of $134.78 per inhabitant. See table 13. As a market for U.S. products, it ranks second in Latin America with U.S. exports in 1962 amounting to $468.3 million as compared with $790.2 million for first place Mexico, $424.8 million for third place Brazil, and $374.9 million for fourth place Argentina.

In terms of exports, Venezuela ranks first in Latin America with total exports valued at $2.6 billion in 1962 as compared with $1.2 billion for Brazil, $1.2 billion for Argentina, and $937 million for Mexico. Per capita exports for 1962 in Venezuela amounted to $328 as compared with $66.72 for second place Costa Rica.

Ninety-two percent of her total exports are derived from petroleum. See table 14. Of the petroleum exports, two-thirds are exported as crude and one-third as refined petroleum products. Fuel oil is the major refined product exported, representing 14 percent of total petroleum exports. Gas oil, diesel oil, gasoline, kerosene, naptha, lubricating oils and greases, asphalt, jet fuel, and butanes are also produced.

Iron ore is the second leading export, accounting for 5 percent of total exports. Coffee and cacao are the next two leading exports, but each accounts for less than 1 percent of the total. Diamonds, cement, tonka beans, fish products (mainly tuna and shrimp), bananas and plantains, balata, asbestos, and sugar are other but minor exports.

A consistent excess of exports over imports is a characteristic of the country's merchandise trade. See table 15. This excess trade balance goes, in large part, to amortize and service foreign investments, which account for virtually all of the petroleum and iron ore exports. In addition, it is used to offset negative balances in freight, insurance, tourism, and other services as well as to amortize and service loans and other capital movements in the balance of payment.

The rapid increase in earnings from exports has permitted a very significant increase in the overall value of imports.

SIMON BOLÍVAR : Statue of the liberator, Plaza Bolívar, Maracay, capital of Aragua State, Venezuela.

CHAPTER III

Commodity Analysis

Food and beverages, textiles, chemicals, iron and steel, fats and oils—these goods and many more are imported by Venezuela from the United States.[1] See table 16.

MACHINERY AND TRANSPORT EQUIPMENT

Machinery and transport equipment[2] form the largest single category of imports; these imports amounted in 1962 to $345.7 million, or 35.1 percent of all imports. See table 17. The high level of industrial growth and the emphasis accorded by the Four-Year Development Plan to economic development are expected, according to CORDIPLAN, to result in an average annual increase of 22 percent in imports of capital goods. Indeed, U.S. exports of this category in 1963 were up 15 percent over that in 1962.

Only a small amount of machinery and transport equipment is produced locally. These items are imported, principally from the United States. The U.S. exports of these items amounted in 1962 to 65 percent of the total. Other leading suppliers were the Federal Republic of Germany, United Kingdom, Italy, Japan, France, and the Netherlands.

Import duties in this category are generally low, and importers may be exonerated from them when the goods are intended for use in industrial establishments.

Machinery and equipment for mining, construction, and industry is, by far, the major group of imports, amounting, in 1962, to $112.5 million, or 32.5 percent of all imports in this category. Drilling equipment; water and gasoline pumps and accessories; dollies; elevators; excavating and leveling machinery and accessories; machinery and accessories for paper, graphic arts, textile, dairy, food-processing, sugar refineries, bakeries, tanneries, shoe, cigarette, and pharmaceutical industries; sewing machines; industrial air conditioners; refrigeration plant and freezers, air pumps; ovens and industrial furnaces; ball bearings; and gaskets and pressure regulators are among the leading imports in this group. The United States, West Germany, United Kingdom, Italy, Netherlands, and Japan are the leading suppliers.

AUTOMOBILE ASSEMBLY PLANT, CARACAS : Importation of assembled vehicles is now prohibited in Venezuela.

Imports of road motor vehicles are the second most important group in this category, amounting to $84.1 million, or 24.3 percent of all imports in this category. Passenger cars, station wagons, jeeps and agricultural vehicles, trucks, buses, chassis, and parts and accessories comprise this group. The United States is the major supplier, but West Germany and France supply significant quantities. As of January 1963, Venezuela has prohibited importation of assembled vehicles. As a further step in its program of promoting local manufacture, the Government requires that a designated proportion of the weight of an assembled vehicle be of local manufacture. In this way, the automotive parts industry is being encouraged.

Electrical machinery, appliances, and apparatus is the third most important group, with imports amounting to $79.8 million, or 23.1 percent of all imports in this category. Generators; electric plants; electric motors; transformers, rheostats and electric current

[1] Data on Venezuelan imports are reviewed in this chapter. This review is not intended as a comprehensive market survey for specific products. But, comprehensive data on production, consumption, and imports may be obtained from market or industry reports in the U.S. Department of Commerce. Those reports cover industries, such as food and beverage, textiles, chemicals, iron and steel, fats and oils. They have been prepared by the Foreign Service of the United States and may be obtained on request from U.S. Department of Commerce Field Offices or its Bureau of International Commerce.

The data arise from Venezuelan sources except for those reported in table 16. The data in table 16 come from U.S. sources. They include 1963 figures, which are not now available from Venezuelan sources.

[2] This comprises Section 7. Machinery and Transport Equipment, of Venezuela's tariff schedule.

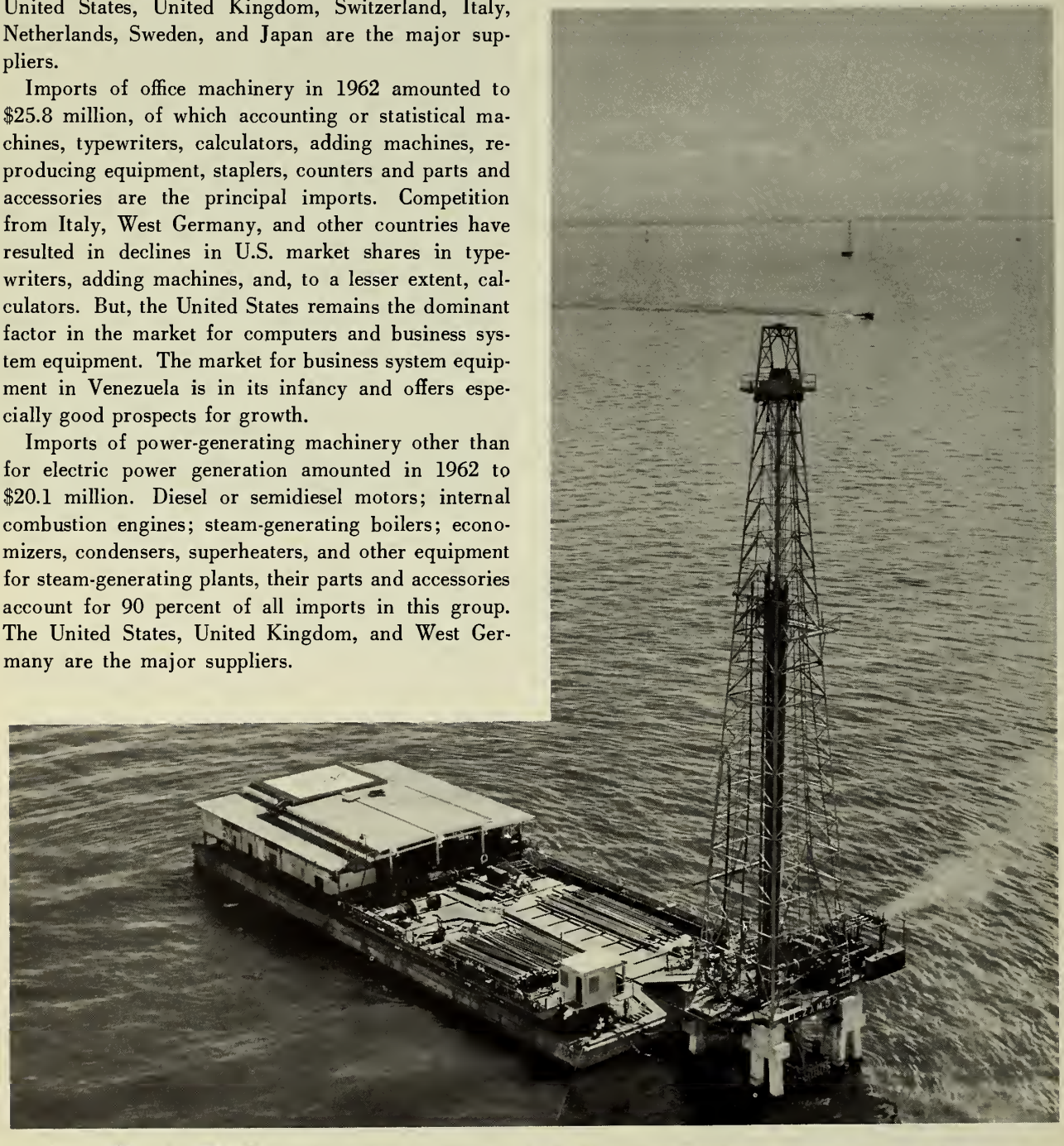
controlling equipment; switchboards; electric batteries; headlights; bulbs, incandescent and fluorescent tubes; receivers and transmitters for radio, telegraph, telephone, television, and electronic equipment; tubes and valves for receiving and transmitting equipment; amplifiers; condensers; sparkplugs; X-ray equipment; electrical machinery for household uses; portable electric tools; electric cables and wires; insulators and electric plugs are the major items of importance. The United States, United Kingdom, Switzerland, Italy, Netherlands, Sweden, and Japan are the major suppliers.

Imports of office machinery in 1962 amounted to $25.8 million, of which accounting or statistical machines, typewriters, calculators, adding machines, reproducing equipment, staplers, counters and parts and accessories are the principal imports. Competition from Italy, West Germany, and other countries have resulted in declines in U.S. market shares in typewriters, adding machines, and, to a lesser extent, calculators. But, the United States remains the dominant factor in the market for computers and business system equipment. The market for business system equipment in Venezuela is in its infancy and offers especially good prospects for growth.

Imports of power-generating machinery other than for electric power generation amounted in 1962 to $20.1 million. Diesel or semidiesel motors; internal combustion engines; steam-generating boilers; economizers, condensers, superheaters, and other equipment for steam-generating plants, their parts and accessories account for 90 percent of all imports in this group. The United States, United Kingdom, and West Germany are the major suppliers.

Tractors and tractor parts are also an important group in this category of imports, amounting to $12.4 million in 1962. The United States, United Kingdom, and France are among the major suppliers.

Imports of metalworking machinery in 1962 amounted to $12.1 million and consisted of the following items in percent of total imports: machine tools, 24; foundry machinery, 16; machinery for working metal, 32; and their parts and accessories, 28.



***DRILLRIGGER'S MASTERPIECE** : Neither the heat nor humidity prevents men from drilling in Lake Maracaibo for the bountiful oil.*

Aircraft imports in 1962 amounted to $6.8 million, of which 48 percent represented aircraft and 52 percent, parts and accessories for aircraft. The United States was the major supplier.

Imports of agricultural equipment and implements in 1962 amounted to $5.7 million. The United States, United Kingdom, West Germany, and France are the major suppliers. Greater attention to this sector of the economy offers better prospects for importation of this equipment.

The value of road vehicles other than motor vehicles imported in 1962 amounted to $2.7 million of which 46 percent represented bicycle imports and 20 percent bicycle parts. The United Kingdom, Japan, West Germany, and Italy were the major suppliers.

Imports of ships and boats in 1962 amounted to $2 million, of which motor launches or motorboats represented 19 percent of all imports in this group; dredges and other ships and boats, 55 percent; and parts and accessories, 26 percent. The United States and the United Kingdom are the major suppliers of these items.

Imports of railway locomotives and rolling stock amounted in 1962 to $937,337, consisting mainly of spare parts for railroad rolling stock. The United States and Italy are the main suppliers. The railroad system of Venezuela is very limited. The country depends mainly on existing highways and air facilities.

MANUFACTURED GOODS

Imports of manufactured goods [3] other than those covered in other parts of this chapter are the second most important category of imports; they amounted, in 1962, to $339.6 million, or 34 percent of all Venezuelan imports. See table 18. United States exports of this category to Venezuela were up 9 percent over that in 1962. This category comprises a wide range of product groups which are discussed briefly below.

Manufactures of common, i.e., base metals is the most important group, amounting to $86 million, or 25 percent, of all imports in this category in 1962. Iron or steel in its primary form; steel girders; steel bars, plates and sheets; steel wire rods and wire; steel pipes and tubes; tinplate; copper bars, rods, and strips; copper pipes and tubes; aluminum foil; and aluminum sheets and plates are the leading items of import in this group. The establishment of a Venezuelan steel mill, a decline in petroleum exploration, and keen competition from West Germany, the United Kingdom, Belgium, Japan, Sweden, and Canada have reduced U.S. exports of these items to Venezuela in recent years. As a result, iron and steel pipes and plates, which are the major U.S. exports in this group, have been cut back sharply.

MAIQUETIA AIRPORT, VENEZUELA : The U.S. Travel Service, Bogota, Colombia, serves Venezuelans wishing to tour the United States.

Yarns, fabrics, and articles made of textile fibers excluding clothing are the next most important import among manufactured goods, amounting, in 1962, to $55.2 million, or 16 percent, of all imports in this category. Wool yarn and threads, mainly from Australia; cotton sewing thread from the United Kingdom; cotton yarns from the United States and the United Kingdom; polyamide fibers, mainly from the United States; cotton fabrics from Japan, Italy, and the Netherlands; woolen fabrics from the United Kingdom; artificial textile fabrics from the United States, Japan, and Italy; textile cords from the United States for use in tires; twine for fishing and fishing nets from Japan, Italy, and the United States; and special type fabrics are among the major imports included in this product line. The growth of Venezuela's textile industry has reduced the market for finished textiles but has created new demand for textile raw materials.

Metal articles are the third most important imports in this category, amounting to $21.5 million in 1962. Twisted wire, ropes, and cables; barbed wire; fence staples, nails, screws, nuts, and bolts; machetes; hand tools; kitchen sets, tableware, and other household

[3] In this category have been combined, in this report, Manufactured Goods, Chiefly by Material and Section 8, Miscellaneous Manufactured Articles of the Venezuelan tariff schedue.

MARACAIBO BRIDGE : Structure 27,143 feet long at western end of Venezuela's Caribbean road, now down for repair of two spans.

utensils; cutlery, knives, and pocket knives; razor blades; locks, padlocks, keys, fittings, and other hardware articles of steel or copper; kitchen ranges and stoves; pressure lids; metal springs; electrodes, rods or tubes, rivets; military sidearms and ammunition are the major imports in this product line. The United States, United Kingdom, Canada, Belgium, West Germany, France, and Japan are the major suppliers.

Imports of miscellaneous manufactured articles in 1962 amounted to $46.3 million, accounting for 14 percent of all imports in this category. Refrigerators and freezers; buttons; tablecloths and household ornaments of plastic materials; spectacles; children's wheeled toys, dolls, electric toys, and other games and toys; pens, ballpoints, writing and drawing pencils, and lighters; phonographs; recording apparatus; and books, magazines, maps, banknotes, certificates, and other printed matter are the principal imports in this product line. The United States, West Germany, United Kingdom, Italy, Netherlands, France, and Hong Kong are major suppliers.

Paper, cardboard and paperboard, and their manufactures are imported in significant quantity, amounting to $25.8 million in 1962. Newsprint and paper for books are the two major imports, but large quantities of waterproof paper; paper and cardboard and paperboard coated, impregnated, gumproof, or transparent; paperboard for building purposes; stencils, packing tape, and gummed paper and packing and writing paper are also imported. The United States, Canada, Sweden, and Norway are major suppliers of this market. The market for this product group has grown at an even faster pace than the growth of the economy. While the domestic industry now satisfies most of the demand for kraft and other coarse paper, all of the newsprint, 84 percent of the printing and

writing paper, 52 percent of the paperboard, and 12 percent of the specialty paper are supplied by imports. Further planned development of the paper industry could result in an additional cutback of imports in this group.

Imports of professional, scientific and measuring instruments, photographic and optical equipment, and watches and clocks amounted to $25 million in 1962. Medical, dental, surgical, or veterinary instruments; surveying and navigation instruments; apparatus for measuring of checking; teaching apparatus; films and plates for radiography and photography; sensitized paper, motion picture films, and watch movements are the principal imports in this product line. The United States and West Germany are the major suppliers of scientific and medical instruments and of photographic and motion picture supplies. The United States, United Kingdom, and Mexico are the major suppliers of motion picture films and Switzerland is the major supplier of watches and clocks.

Nonmetallic mineral manufactures imported in 1962 amounted to $18.4 million. Sheet and plate glass; safety glass; glass in semi-manufactured form; glass containers; glass, pyrex, and crystal tableware; articles of glass for laboratories; table and kitchenware of pottery; rock wool and other mineral compounds; water filters; carbon and graphite products; friction belts; asbestos piping and building materials; bricks and paving slabs of refractory earths and refractory cement and mortar comprise the major imports. The United States supplies most of these imports, but Belgium and France are the major suppliers of asbestos building materials, the United Kingdom of water filters, West Germany of crystal tableware, and Japan of pottery.

Imports of clothing and clothing accessories in 1962 amounted to $7.6 million. Protective gloves for workmen, cotton handkerchiefs, fiber hats, bathing suits, cotton gloves, and leather belts are the major items. Protective duties and import restrictions limit the market to specialty items not produced in Venezuela. Among the principal suppliers are Hong Kong, Italy, and the United States.

Rubber manufactures imported in 1962 amounted to $7.2 million, of which tires and tubes for automobiles, conveyor belts, and rubber carpets or mats for automobiles comprised 60 percent of all imports in this product line. The United States and the United Kingdom are the major suppliers. Protective duties and import license requirements limit imports mainly to special items or items in sizes not locally produced.

Leather and leather manufactures were imported in the amount of $5.5 million, of which sole leather, cattle and horse hide, and patent and metallized leather accounted for over 65 percent of imports in this product line. Principal suppliers are the United States and the United Kingdom.

Imports of prefabricated buildings and of plumbing, heating, and lighting fixtures and fittings amounted, in 1962, to $5.1 million, of which electric lamps, copper taps, sanitary fixtures and fittings (not of metal) accounted for over 60 percent of all imports in this product line. Due to impor restrictions, imports of prefabricated buildings have declined to relatively insignificant amounts and imports of fixtures are limited to items not produced locally. The United States, West Germany, Hong Kong, Italy, and Japan are the leading suppliers.

The wood and cork manufactures excluding furniture amounted to $2.4 million, of which veneer sheets; boards of wood and other vegetable fibers; barrels, casks, and kegs; and cork manufactures accounted for 60 percent of all imports in this product line. The United States is the leading supplier of barrels, casks, and kegs. France, Italy, Finland, and the United States are major suppliers of boards and of veneer sheets and Spain and Portugal of cork manufactures.

Of travel goods, handbags, and similar articles the imports amounted to $1.6 million in 1962, of which suitcases, purses, wallets, and handbags were the lead-

SAN TOME DE GUAYANA STEEL MILL : One of the largest steel mills in Latin America to go from raw iron ore to finished products.

CANNERY ABOVE AND FISH BELOW : Fish from the surrounding eastern Venezuela waters are canned at a Cumaná waterfront plant.

ing items. The United States, West Germany, and Japan are the leading suppliers.

Furniture imports totaled $1.1 million in 1962, of which imports of metal furniture is the leading item, accounting for one-fifth of all imports in this product line. Most of these imports come from the United States and Italy.

Silver, platinum, precious stones, and jewelry imports amounted to $1.1 million in 1962, of which chains, links, and wristbands are the principal items. West Germany, Belgium, Hong Kong, and Japan are the principal suppliers.

Imports of footwear in 1962 amounted to $517,000, of which workmen's boots accounted for 90 percent. Czechoslovakia and Japan are the principal suppliers.

Protective duties and other measures greatly restrict imports of wood manufactures, travel goods, furniture, footwear, silver, platinum, precious stones, and jewelry.

FOOD PRODUCTS

Food products [4] ranked as the third most important category of imports, amounting to $113 million, or 10 percent, of total Venezuelan imports in 1962. See table 19. Dried and dehydrated milk and wheat are by far the two major imports, accounting for 23 and 17 percent, respectively, of total food imports in 1962. Dietetic or medicinal food products, hatching eggs, gourd type cheese, apples, grapes, kidney and French beans, barley, fruit pulp and paste, unmilled corn, peas, dried fruit, fishmeal, pears, fruits in syrup, meat extracts, hops, and corn flour are the other leading imports in this category. These imports, including dried and dehydrated milk and wheat, represent three-quarters of all food imports.

Although Venezuela has extensive agricultural resources, its farms were not keeping pace until 1959 with the growth of national income; as a result, the country was growing increasingly dependent upon imports of food products. Since 1959, under the stimulus of a protective tariff, domestic price supports, subsidies, guaranteed markets, and other incentives offered by the Government, agricultural production has been spurred and imports of food products have declined sharply. Poultry, eggs, milk and cream, cheese, other dairy products, canned foods, fruit and fruit juices, corn, cotton, flour, and animal feeds are among the imports that have declined as local production increased. The Government intends to encourage and protect the development of the food products industries.

The Four-Year Development Plan anticipates a further increase in Venezuela's capacity to supply domestic requirements of food products. Indeed, the plan foresees steady decreases in imports of agricultural products, except for wheat, fluid milk, and peas. Nevertheless, there should continue to exist a small but lucrative market for luxury food products which are not manufactured in Venezuela.

The United States is the largest supplier of food products, but Canada, Denmark, and Belgium-Luxembourg compete strongly in the market for dairy products. Canada also competes in the market for wheat. While price is an important competitive factor, quality and consumer preferences appear to be equally significant.

Importers of a few essential products—whole or powdered dry milk, dietary or medicinal milk, wheat, dried beans, black beans, peas, and fishmeal—are granted a subsidy of 1.15 bolívars per dollar of imports. Duties on essential foods that are not produced in sufficient quantities are low or duty free. Luxury goods are generally subject to moderate rates. Foods that can be produced by Venezuela's food industries are subject to prohibitive duties or import license requirements, or tie-in arrangements.

CHEMICAL PRODUCTS

Imports of chemical products [5] are the fourth most important category of imports into Venezuela, amounting in 1962 to $110.7 million, or 11 percent of all Venezuelan imports. See table 20. United States ex-

[4] This group comprises Section O, Food Products, of Venezuela's tariff schedule.

[5] This comprises Section 5, Chemical Products, of Venezuela's tariff schedule.

ports of chemicals to Venezuela in 1963 stood at $47.6 million, down 9 percent over that in 1962 and well below the $60.4 million exported in 1959. Although the domestic chemical industry is expanding, particularly petrochemicals and pharmaceuticals, Venezuela will continue to rely on imports of many chemical products which cannot be produced locally.

In 1962, the United States supplied 57 percent of total Venezuelan imports of chemical products. There has been a slight but steady decline in U.S. market share since 1959. West Germany, United Kingdom, Switzerland, France, and Italy are among the major competitors in this market.

Import duty rates on chemical products are generally low. However, for products that are manufactured locally, duties may be prohibitive or import licenses may be required. Pharmaceutical products are subject to price controls. Pharmaceutical specialties are subject to the terms of Venezuela's pharmaceutical regulations, which require prior registration of the product with the Ministry of Health and Social Assistance. (See U.S. Department of Commerce publication, *Pharmaceutical Regulations of Venezuela*, World Trade Information Service, Part 2, No. 57-112). Fertilizers, insecticides, fungicides, and herbicides are also subject to special sanitary requirements.

Chemical products comprise the following groups.

Medicinal and pharmaceutical products comprise the most important group of imports, amounting, in 1962, to $31.7 million, or 29 percent of all imports in this category. Medicaments for fighting infectious, contagious, and parasitic diseases; medicaments for parenteral, i.e., injectable use; penicillin, streptomycin, and other antibiotics; medicaments for external use; serums, vaccines, and bactereological products; organotherapeutic products; medicaments for internal use; medicaments for veterinary use; curative products and human plasma are among the major items of imports. The industry is growing rapidly and many of the laboratories—frequently representing U.S. firms —are developing their activities beyond packaging. Population growth, improved living standards, and greater emphasis on social welfare have resulted in an average annual growth of 10 percent in domestic consumption of pharmaceuticals in recent years.

Miscellaneous chemical materials and products comprise the next major product group in this category, amounting, in 1962, to $31.1 million. Artificial thermoplastic and thermostable resins; disinfectants; fungicides, herbicides, raticides, and insecticides; semimanufactured plastic materials; preparations for use in petroleum industry; activated carbon; solvents and diluting preparations; brake fluid; antiscaling compounds; water treating preparations; casings for sausages; and glues and dressings are the major items in this group.

Imports of organic chemicals in 1962 amounted to $14.2 million, of which nitrogen organic compounds, alkyl-benzene, organic acid derivatives, salts of organic acids, freon, glycerin, sulfate of turpentine, trichlorethylene, aldehydes and ketones, isoproyl and other alcohols, alcohol derivatives, organic acids and anhydrides, and rennet accounted for 55 percent of all imports. The United States is the major supplier, West Germany and the United Kingdom are other suppliers.

In 1962, imports of inorganic chemicals amounted to $8.6 million, of which sodium phosphates, lampblack, sodium carbonate, phosphoric acid and phosphoric andrydride, calcium carbide, chloride of lime, lead oxides, aluminum sulfate, copper sulfate, and sodium hydroxide represented 63 percent of all im-

***VENEZUELAN SISAL** : Locally grown sisal is fabricated into rope in Venezuela and exported to a Boston, Massachusetts, company.*

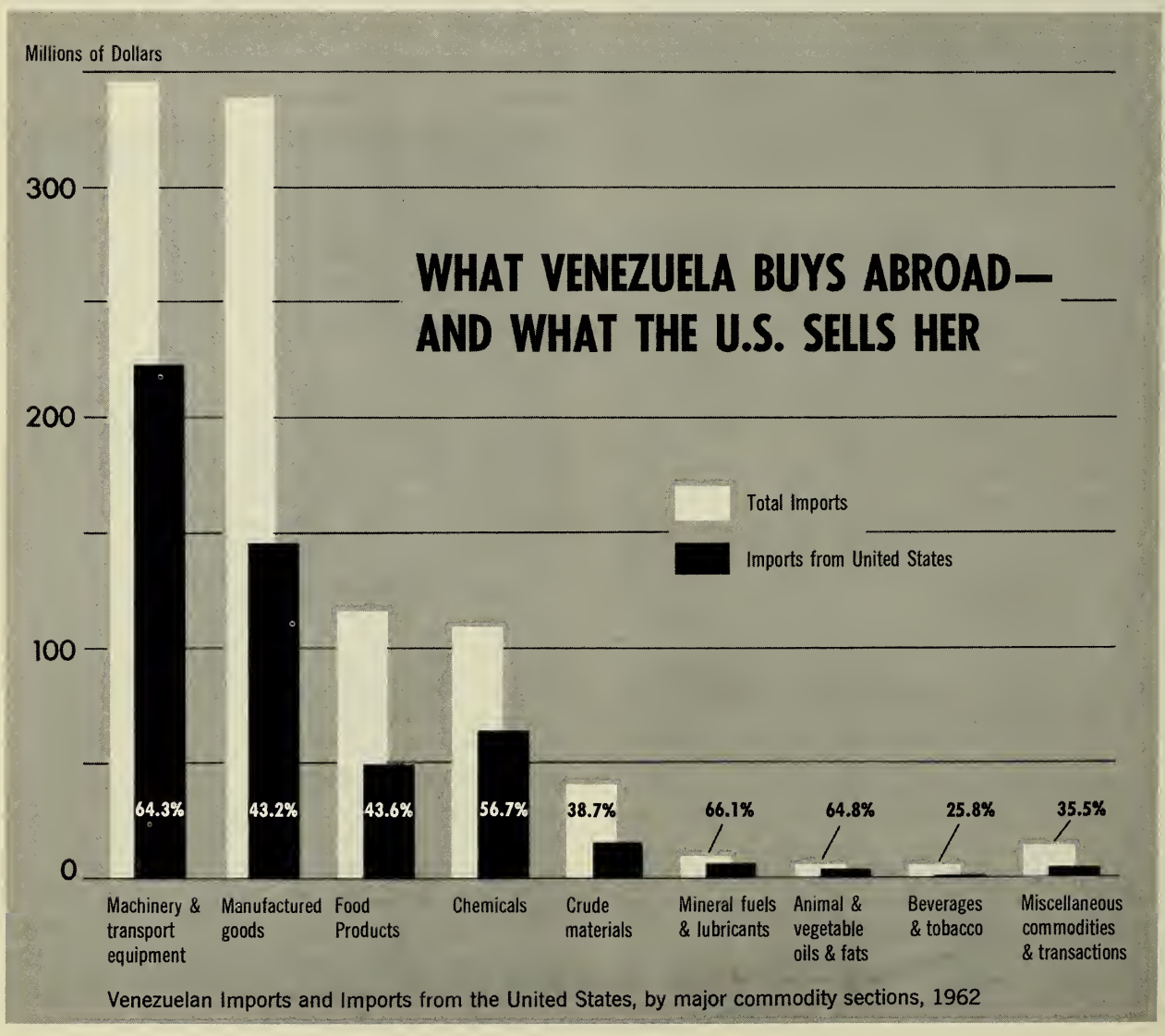
ports in this group. The United States, United Kingdom, and West Germany are the major suppliers.

Imports of essential oils, perfumes, and flavoring products amounted, in 1962, to $6.9 million, or 6 percent, of all imports in this category. Synthetic materials and aromatic concentrates, nonalcoholic, for use in the beverage industry accounted for 63 percent of all imports in this group, synthetic materials and aromatic concentrates and other mixtures of essential oils accounted for 17 percent, essential vegetable oils for 13.4 percent, and artificial extracts and concentrates for flavoring food and other preparations for 13 percent. With the growth of the food and beverage industries in recent years, imports have been rising.

Imports of pigments, paints, varnishes, and related products amounted to $4.5 million. Titanium white, mineral colors, in powder form; printers ink; prepared enamels and varnishes and coloring materials account for 70 percent of all imports in this group. The industry is well established in Venezuela, and imports are limited mainly to products not produced locally. The United States, Switzerland, and the United Kingdom are the major suppliers.

In 1962, imports of manufactured fertilizers amounted to $4 million, including ammonium sulfate, 15 percent, phosphates, n.e.s., 13 percent; superphosphates, 11 percent; potassium sulfate of up to 96 percent purity, 7 percent; and mixed fertilizers, 5 percent. The petrochemical plant at Moron plans to increase its production of certain chemical fertilizers, thus reducing the need for imports. The United States and West Germany are the major suppliers.

Imports of coal tars and dyestuffs amounted to $2.6 million, of which West Germany, Switzerland, and the United States, in that order, are the major suppliers.



Venezuelan Imports and Imports from the United States, by major commodity sections, 1962

HOME FOR THE SALESMAN : Home for 'our mon in Coracas' who works from 9 to 6 with 2 hours for lunch, Monday through Saturday noon.

Perfumery products, cosmetics, soaps, and cleansing and polishing preparations were imported to a value of $2.3 million. Sulfonated and sulfated oils and greases, alcohols and waxes, for polishing porcelain, wood, metal, glass, and other surfaces are the two major imports. The United States and West Germany are major suppliers. The domestic industry is well established, and imports are generally subject to very high duties.

The value of imports of dyeing and tanning extracts and synthetic tanning materials amounted to $2.1 million, consisting mainly of synthetic tanning materials, artificial preparations for tanning, quebracho wood tanning extract, and chestnut wood tanning extract.

Imports of explosives in 1962 amounted to $2 million, of which dynamite and other explosives, blasting fuses, cords, detonators, and percussion caps were the principal imports. The Four-Year Development Plan calls for the establishment of an explosive plant that when established should reduce imports of this product.

Mineral tar and crude chemical products derived from coal, petroleum, or natural gas were also imported, being valued at $480,531. Mineral tar, benzene, and benzine were the major items.

CRUDE MATERIALS, INEDIBLE, NOT FUELS

Imports of crude materials, unfit for human consumption except fuels [6] in 1962 amounted to $40.6 million, of which the United States supplied $15.7 million, or 39 percent. See table 21. Oilseeds—mainly copra, soybean, and sesame—and crude rubber, including synthetic, are the two major imports, amounting to 32 and 18 percent, respectively, of all imports in this category. Other leading imports in percent of total imports in this category were: mechanical and chemical paper pulp, 16; nonmetallic minerals, 8; textile fibers, 7; and cotton, 5.

In spite of the balance-of-payment problem during 1959–62, imports in this category declined but very little. In fact, imports of oilseeds, synthetic rubber, and paper pulp increased. Imports in this category are destined for use in newly established industries, such as rubber, paper, and edible oil. The short-term outlook for this category is favorable. However, the proposed production of synthetic rubber and of paper pulp in Venezuela, while still somewhat in the distance, could eventually make Venezuela self-sufficient in these items.

The United States is a major supplier of paper pulp, synthetic and regenerated rubber, soybeans, cotton (ginned, linters, or waste), asphalt, white or pitch pine, seeds for sowing, infusorial earths and clays, iron and steel scrap, and raw chicle gums.

Import duty rates for crude materials included in this category are relatively low and there are but few restrictions. Where the crude materials are intended for use by local industries, the Government may extend import duty exoneration to the importer.

MINERAL FUELS, LUBRICANTS

Imports of mineral fuels and lubricants [7] in 1962 amounted to $9.9 million, of which the United States supplied 66 percent. See table 22. Lubricating oils

[6] This comprises Section 2, Crude Materials Unfit for Human Consumption, Except Fuels, of Venezuela's tariff schedule.

[7] This comprises Section 3, Mineral Fuels, Lubricants and the Like, of Venezuela's tariff schedule.

NATURAL GASOLINE PLANT : U.S. made compressors give first-class, continuous service under exacting working conditions.

and blending agents for mixing with gasoline are by far the two leading imports, accounting in 1962 for 39 and 26 percent, respectively, of all imports in this category. Other major imports in 1962 were, in percent of all imports in this category: coke of coal or lignite, 19; paraffin, 6; vaseline, 1; and pitch, resin, petroleum coke, and other petroleum byproducts, 4. These products comprised 96 percent of all imports in this category.

Petroleum imports have declined with the expansion of the refining industry and are now limited to items not produced by Venezuela's well-established petroleum refining industry. Imports per year of coke for the steel mill amount to 100,000 metric tons and may increase to 250,000 metric tons.

At present, all of the coke is imported from England. The United States supplies the bulk of the petroleum products imported.

Import duties are low for those essential products that are not produced locally. Import duty exoneration may be extended to importers if the products are destined for use by local industries.

OILS AND FATS

Imports of animal and vegetable oils and fats [8] in 1962 amounted to $5.8 million, of which the United States supplied $3.8 million, or 65 percent. See table 23. Cottonseed oil, animal tallow, and corn oil are the three major imports in this category, accounting for 30, 17, and 16 percent, respectively, of all imports in this category.

Other major imports in this category in 1962, were, in percent: hydrogenated fats and oils, 10; olive oil, 7; linseed oil, 4; soybean oil, acidic oils, and oils of animal origin, 2. These items account for 93 percent of all imports in this category.

Domestic production consists of sesame, cottonseed, and coconut oils and small quantities of tallow and animal grease. Sesame and cottonseed oil production has about doubled since 1958, standing at 23,181 and 2,358 metric tons, respectively. Production of coconut oil and animal oils has remained fairly stable. However, domestic production has not kept pace with demand, and imports have been increasing in recent years.

The United States has maintained its share of the market in this category. It is the major supplier of animal oils and fats, cottonseed oil, hydrogenated fats and oils, and acidic oils. The Netherlands is the major supplier of linseed and soybean oils, Belgium of corn oil, and Spain and Italy of olive oil.

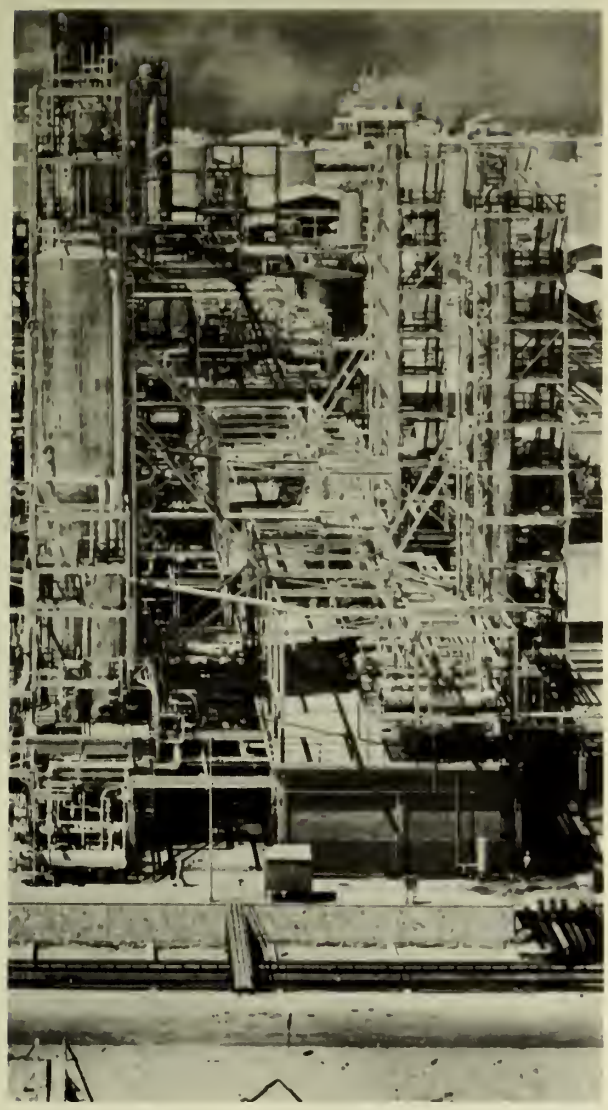
Import duties on these items are moderate. However, tie-in arrangements, requiring importers to purchase in a specified ratio a certain amount of the local product for each unit imported is required for imports of animal oils.

BEVERAGES AND TOBACCO

Imports of beverages and tobacco [9] in 1962 amounted to $5.7 million, of which the United States supplied $1.5 million, or 26 percent. See table 24. Imports in this category have shown a steady decline as local production expanded rapidly with the aid of Government assistance. Whisky and raw tobacco accounted in 1962

[8] This comprises Section 4, Animal or Vegetable Oils and Fats, of Venezuela's tariff schedule.

[9] This comprises Section 1, Beverages and Tobacco, of Venezuela's tariff schedule.



GASOLINE PUMP : On the Paraguana Peninsula at Punta Cardon, one of the world's largest petroleum refineries.

for 30 percent each of all imports in this category. Other leading imports in this category in 1962 were, in percent of total: grape must, 10; champagne, 8; clarets and other red wines, 8; and white wines, 4.

With official encouragement of the local industry, production has grown rapidly. Some exporters, in an effort to leap the tariff wall, have found it necessary to establish plants in Venezuela or to enter into licensing agreements with Venezuelan firms. Internationally known brands of gins, brandies, vodkas, liqueurs, wines, champagnes, whiskys, and cigarettes are now being produced under licensing arrangements or by local subsidiaries of foreign companies.

The United States is not a significant supplier of beverages to Venezuela, although small quantities of corn or barley whisky are imported for consumption, mainly by the U.S. community. Venezuelans, themselves, seem to prefer a Scotch type whisky. However, the United States supplied about three-quarters of the raw tobacco imported in 1962. Imports of raw tobacco have virtually ceased as Venezuela has developed successfully a leaf comparable to the Virginia leaf. Imports of cigarettes and tobacco manufacturers—a major import in past years—have virtually been eliminated with the development of the local industry. As a result, U.S. exports in this category declined from $11.2 million in 1959 to $223,000 in 1963.

The Government imposes prohibitive duties, import license requirements, or other highly protective measures on those products that are produced by local industries. On luxury products not produced locally, the rates are moderate.

MISCELLANEOUS COMMODITIES

Imports in the category of miscellaneous commodities and transactions [10] amounted in 1962 to $13.6 million of which the United States supplied 36 percent. See table 25. This category consists of the following items, in percent of total: live animals, not intended for food, 2; personal luggage of travelers, 40; commercial samples of salesmen, 3; gold bars and ingots, 38; and coins and banknotes, 17.

[10] Imports in this category correspond to Section 9, Live Animals, n.e.s.; Goods Subject to Special Formalities; Gold and Other Valuables, of the Venezuelan tariff schedule.

CHAPTER IV

Trade Practices In Venezuela

SINCE nearly 1.3 million of Venezuela's 8 million persons live within the metropolitan area of Caracas and another 3,891,000, or 51 percent, of the total population live within the Central region of Venezuela, Caracas is the major distribution center of the country. See appendix, Commercial Regions of Venezuela. Most import houses, distributors, or agencies have head offices in Caracas, and many of these have branch offices, warehouses, and other facilities which are adequate for nationwide distribution of the product. Most exporters prefer to treat Venezuela as an integrated market through an exclusive representative in Caracas. However, since Maracaibo city and its environs has 793,754 persons, or 11 percent of the total population, and has a natural marketing area that comprises 2.3 million, or 30 percent of the total population, some exporters find it preferable to establish an independent representation in Maracaibo covering the Western region. In addition, the Puerto la Cruz–Barcelona–Cumana urban area has a population of 551,995 persons, or 7.3 percent of the total population, and serves a natural marketing area in the Eastern region of 1.4 million, or 19 perecent of the population.

MARKETING CHANNELS

Import channels may be classified into four principal types: import houses, commission agents, direct importers, and branch houses or subsidiaries.

The import houses frequently are large and well-financed concerns that import on their own account, although they will agree to represent an exporter on a commission basis. Forty of these are major distributors that have a large sales staff, warehouses, and

←NATIONAL PANTHEON : *Final resting place for Bolivar and other great men, Caracas, Venezuela.*

other facilities throughout the country. They sell to regional wholesalers or direct to retail outlets throughout the country. Other import houses are considerably smaller and may not have the standing or facilities to provide nationwide representation. Some of the larger houses handle an extensive line of products, which in fact does not permit them to concentrate their promotional and other activities on any single line. Other import houses specialize in the distribution of similar but not competitive products. All of these have obvious advantages and disadvantages which must be carefully weighed in selecting a representative.

The commission agent does not sell on his own account but on behalf of his principal, the exporter. He sells to wholesalers and retailers and obtains a commission for his service. As in the case of the import house, care must be taken in the selection of an agent since some do not have the standing, the facilities, or the technical qualifications to provide good representation while others may handle too many products or products that are competitive with those of the exporter. Frequently, the best and preferred type of agency is the one that specializes in a small group of similar but noncompetitive products. The agent is paid a commission of 2.5 to 10 percent, depending on the product line.

Sales are also made direct to the ultimate consumer, such as the petroleum companies, iron ore companies, large department stores, large chain stores, large agricultural estates, fabricators, and public utilities.

Another method is to establish a local subsidiary or branch. This method assures the exporter of efficient and aggressive promotion and permits him to retain control over his product. Some of the larger U.S. corporations have such representation.

GOVERNMENT PURCHASING

The National Government is by far the largest single importer with purchases abroad in 1962 of $52.4 million, or over 5 percent of all imports. Government entities generally invite tenders for supplies and materials and for the execution of Government projects. However, the Finance Law of March 17, 1961, calling for tenders in Government purchases permits exemptions in the case of purchases under 10,000 bolivares, or $222.22, and in other specified circumstances. The law also requires that firms submitting bids on Government tenders must be legally organized in the country. Thus, foreign firms wishing to participate in Govern-

ment contracts must do so through qualified local representatives.

Venezuela's Public Credit Law of July 23, 1959, requires that Government agencies obtain congressional approval of all loans exceeding the agencies' current budget or extending beyond the budget year.

"Buy Venezuela" legislation was established by Decree No. 512 of January 13, 1959, which requires that all Government agencies purchase from domestic sources whenever possible, provided the domestic price is not over 25 percent greater than that of the imported product. When the imported product must cope with freight, insurance, and custom duties, a Venezuelan supplier has a significant advantage in sales to Government agencies.

There is no central procurement agency; the various ministers and agencies of the Government generally make their own purchases. The ministries or agencies generally require that local manufacturers or dealers and agents of foreign suppliers who wish to qualify as bidders must first register with the Ministry. They must establish that they are up-to-date on the payment of Venezuelan taxes and that financially and technically they are qualified to participate in Government bidding. If the application for registry is accepted, the applicant is assigned a number and is free to inspect the list of requirements of the Ministry and to make bids on tenders.

The Armed Services have military attaches with the Venezuelan Embassy in Washington, D.C., through which procurement is at times arranged. Similarly, the Guayana Corporation, which operates the steel mill, maintains a field office in Pittsburgh through which purchases are arranged. However, in most cases, it is essential for firms wishing to sell to the Venezuelan Government to have a local representative who has registered and otherwise met the criteria of the agency as a qualified supplier.

Among the major Government entities engaged in foreign procurement are:

Ministry or agency	*Major function*	*Type of procurement*
Agrarian Reform Institute—Instituto Agrariá de Reforma	Carries out agrarian reform program	Agricultural machinery, implements, livestock, seed.
Agricultural and Livestock Bank—BAP	Extends loans to farmers	Agricultural machinery and implements for resale to farmers.
Electrical Development Company—CADAFE	Engages in generation and distribution of electrical power	Equipment for powerplants, substations, transmission lines.
Guayana Development Corporation—Corporación Venezolana de Guayana	Plans and exccutes development of eastern Venezuela, including large steel mill	Equipment for steel mill, powerplants, coal mines, and other varied installations.
National Institute of Railroads—Instituto Nacional de Ferrocarrilles	Operates about 300 miles of state-owned railroad lines	Railroad rolling stock, railroad ties, maintenance and other operating equipment.
Venezuelan Development Corporation—CVF	Engages in general development activities	Equipment for sugar mills.
Venezuelan Navigation Company—CAVN	Operates state shipping line	Vessels and equipment for operation of shipping line.
Venezuelan Petrochemical Institute—IVP	Operates an expanding state-owned petrochemical plant	Machinery, equipment, and raw materials for petrochemical plant.
Venezuelan Petroleum Corporation—CVP	Engages in petroleum exploitation and refining	Petroleum equipment.
Ministry of Agriculture and Livestock—Ministerio de Agricultura y Cria	Fostcrs development of agriculture	Agriculture machinery, equipment, livestock, seed.
Ministry of Communications—Ministerio de Comunicaciones	Operates state telegraph and telephones	Telegraph, microwave, radio, telephone, other communication equipment.
Ministry of Defense—Ministerio de Defensa	Army, Navy, Airforce	Equipment for Armed Forces.
Ministry of Public Works—Ministerio de Obras Publicas	Executes public works programs	Construction equipment and miscellaneous goods.

COMMERCIAL BANKS

The number of commercial banks increased from 12 to 37 during the 1950's with the growth of the economy. There are now 456 separate banking offices, consisting of 37 banks, 146 branch banks, and 273 banking agencies. Four foreign banks have branches or subsidiaries in Venezuela, with the First National City Bank being the only U.S. bank operating in Venezuela. However, the Chase-Manhattan Bank has acquired a 49-percent interest in Venezuela's Banco Mercantil y Agricola. Of course, many U.S. banks have correspondent relationships with Venezuelan banks.

Interest rates charged by commercial banks have been relatively stable and ranged in 1962 from 7.5 to 10 percent annually, with an average of 8 percent. The stability of the bolívar has contributed to maintaining interest rates below those in most Latin American countries.

MARKET RESEARCH

Several firms, including Venezuelan subsidiaries of U.S. companies, engage in market research, consumer motivation, polls, or industry studies. In addition to these firms, some of the larger companies that distribute in large volume in Venezuela maintain their own research organization for market evaluation.

All of the commercial banks in Venezuela furnish credit information on an exchange basis and free of charge to banking and credit entities abroad. Inquiries by individuals should be made through their commercial banks. In addition, Dun and Bradstreet maintains an office in Caracas through which up-to-date credit reports on Venezuelan firms are prepared for distribution through its U.S. offices. The U.S. Department of Commerce through its World Trade Directory Reports has an extensive and up-to-date file of information on the credit standing of numerous Venezuelan firms.

There are, in Venezuela, a number of firms that handle delinquent cases of collection. It is at times better to turn some cases of delinquent collection to such firms before attempting costly and time-consuming litigation.

ADVERTISING

The advertising industry has grown rapidly in recent years. At least 10 firms—3 of which are subsidiaries of well known U.S. companies—are capable of organizing complete promotional or publicity programs. These firms can prepare advertising or adapt it to the local market, select advertising media, and evaluate results. The U.S. exporter usually supports in part the advertising program of his representative in Venezuela.

Television and radio are the most effective medias in the mass market. It is estimated that 45 percent of total advertising expenditures is placed in television, 30 percent in radio, 15 percent in newspapers, and 10 percent in magazines, billboards, movie houses, and other medias.

WTD REPORTS HELP IN SELECTING REPRESENTATIVES AND TRADING PARTNERS

Information on private firms in Venezuela is available to U.S. businessmen thorguh World Trade Directory—WTD reports.

The WTD reports include information on organization, sales territory, lines of goods handled, operation methods, size of business, capital, sales volume, trade and financial reputation.

The WTD reports are available to qualified U.S. firms—or will be prepared on request—through the Commercial Intelligence Division, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C., 20230, for $1 each. The reports may also be obtained through the Department's Field Offices.

Television has grown spectacularly in recent years; today, there are four television stations in Caracas, one in Maracaibo, and one in Valencia. While nationwide coverage is not yet complete, the existing networks bring television to the principal population centers. The number of television receivers is estimated at 320,000. Rates are high; a 1-minute commercial at premium time costs $5,100.

Three radio networks make possible the simultaneous coverage of Venezuela. There are 90 radio stations in Venezuela and, with the availability of low price transistor sets, an estimated 2.1 million receivers. Radio is particularly effective in the smaller communities where illiterarey is high and television not yet available.

Newspapers are the next most important advertising media. They are the most effective media for reaching the business community. Caracas has six Spanish dailies and one English daily, each with large circulations. The more popular of them circulate widely even outside of Caracas. Rates for a full page advertisement in the larger newspapers range from $166 to $377. In

addition to the large Caracas newspapers, other cities have local dailies. Many of the towns have weekly newspapers. (See U.S. Department of Commerce, Trade List, Advertising Media—Venezuela, June 1963).

Several local weekly magazines have large circulations. Among them, by circulation, are: Elite, 71,000; Momento, 60,000; La Fusta, 50,000; Venezuela Grafica, 53,000; Bohemia Venezolana, 50,000; El Gallo Pelon, 40,000; and Paginas, 45,000. Spanish language editions of several well-known U.S. magazines are also popular with Venezuelan readers.

Movies are well attended, particularly in the smaller towns, and advertising in movie theaters is much more common than in the United States. Other forms of advertising include direct mail, billboards, neon signs, and bus cards.

TRADE ASSOCIATIONS

The Federacion Venezolana de Camaras y Asociaciones de Comercio y Produccion—FEDECAMARAS is an affiliation of chambers of commerce and industry throughout the country. The organization has great influence and is recognized as the spokesman for business in Venezuela. It maintains headquarters in Caracas. The Chamber of Commerce of Caracas—Camara de Comercio de Caracas—is the largest of the chambers affiliated with FEDECAMARAS. Union Patronal Venezolana del Comercio is an organization in Caracas that strongly represents Venezuelan importers. United States businessmen and Venezuelan representatives of U.S. firms are banded together in a United States Chamber of Commerce.

Many of the larger chambers have full-time paid executive secretaries and well-stocked commercial libraries; they prepare monthly bulletins for their members. These chambers can provide valuable services to exporters in search of a representative or of commercial information.

WAREHOUSES AND FREE PORTS

New port facilities at La Guaira and Puerto Cabello provide adequate storage space for all types of cargo, including refrigerated cargo. Facilities at Maracaibo and other ports have also been improved and are generally adequate.

Bonded warehouses are in operation in Caracas and Puerto Cabello. Among the advantages of the bonded warehouse are that goods may be stored up to 6 months without payment of customs duties and that the goods can be insured fully against fire, theft, civil commotion, or acts of God.

***SEAPORT FOR CARACAS** : La Guaira, Caribbean seaport, 12½ miles from Caracas by autopista, leading port for Venezuelan imports.*

Free storage in customs warehouses is provided during the first 6 days after the arrival of the vessel, but Venezuelan customs authorities impose progressively higher charges in order to discourage use of customs warehouses beyond the 6 days. The Venezuelan Customs Law establishes a 2-percent ad valorem fee on goods remaining in customs warehouses more than 6 days and not more than 10 days. The fee is then increased to 10 percent ad valorem per month or for any fraction of a month. Goods not removed from customs warehouses within 2 months following the 6–day gratis period are subject to seizure and sale at public auction.

Venezuela has no free ports.

TRANSPORTATION AND COMMUNICATIONS

Ocean shipping accounts for 88 percent of the value of total imports. Imports by air—primarily from the United States—account for 12 percent of the value of total imports. The availability of rapid air freight

service from the United States provides an important competitive advantage to U.S. exporters of foodstuffs, chemicals, machinery, and raw materials.

La Guaira is by far the principal port for imports, accounting in 1962 for 57 percent of the $985 million in imports. Puerto Cabello ranked second, accounting for 19 percent by value of all imports; Maracaibo was third, accounting for 15 percent; Puerto La Cruz fourth, with 5 percent; and Ciudad Bolívar fifth, with 3 percent.

Alcoa, Grace, Lykes lines, Royal Netherlands, and the Venezuelan state-owned Compania Anonima Venezolana de Nevegacion—CAVN are among the shipping lines that provide regularly scheduled service between U.S. Atlantic and Gulf ports and Venezuelan ports. Daido, Johnson, D'Amico, Ferndale, Italian, K, Mitsui, Moore-McCormack, N.Y.K., O.S.K., and Zim Israel lines provide service between Venezuela and the Pacific Coast of the United States and Canada.

CAVN also provides service among Venezuelan ports.

Pan American Airways, Delta Airlines, and Venezolana Internacional de Aviacion, S.A.—VIASA are among the airlines providing service between Venezuela and the United States.

Domestic airline service between Venezuelan cities is supplied by two Venezuelan companies: Aerovias Venezolana, S.A.—AVENSA and Linea Aerea Venezolana—LAV. The AVENSA is a private company in which Pan American Airways has a minority interest; LAV is owned by the Venezuelan Government. Due to lack of railroads and highways, some places depend on air service to transport passengers and cargo.

OCEANPORT : What oil flows out of the many Venezuelan wells and through modern refineries goes to market in oceangoing tankers.

Because of the absence of railroads and the relatively high cost of air and coastal transport, most goods in Venezuela move by truck. Venezuela has a comparatively good network of roads, and trucking lines provide relatively quick and efficient service between Venezuelan towns.

Local telephone service in Venezuela is provided by the National Telephone Company of Venezuela—CANTV, an autonomous Government corporation. CANTV and the Telecommunication Section of the Ministry of Communications provide long-distance service among Venezuelan cities. The telephone system in Venezuela is overloaded, and there are frequent waits in making connections. Many cities have a long list of persons waiting for telephones.

Rapid and convenient telephone communication between the United States and Venezuela is available and is frequently an important factor in facilitating U.S. exports.

The Ministry of Communication in Venezuela provides domestic telegraph service among towns and cities in Venezuela while International Cables and Radio, Inc., and the Radio-Telegraph Section of the Ministry of Communication provide international service.

Airmail from the United States to Venezuela takes 4 to 5 days before actual delivery. Postage rates are 15 cents for the first ounce. Mail service is not so reliable as in the United States, although in cases of registered mail, reported losses are not considered abnormal.

OTHER TRADE PRACTICES

Terms of sale, of course, vary with the customer and the product. But the cost of money in Venezuela is higher than in the United States and in Europe and stiff competition among suppliers requires terms that are fully competitive. Open account terms, while more prevalent than in other Latin American countries, are not used extensively because of the risk to the exporter, except in cases of long and satisfactory experience with a reputable and well-established Venezuelan firm. Because of cost, the letter of credit is used infrequently in sales to well-established firms. Thus, sight drafts and time drafts are the more common means

of payment and the trend is toward liberalization of terms.

However, in extending sight or time drafts, the exporter must note that Venezuela's Customs Law prohibits "to order" bills of lading. A definite consignee must be named, and the consignee is considered the owner of the goods once they have entered Venezuela. Delivery of the merchandise to the importer even when shipping instructions specify "documents against payment" is thus possible if steps to avoid this are not taken. While it is possible to designate the collection bank as a consignee with instructions to turn over the goods to the importer upon payment or acceptance, banks do not normally have the facilities for exercising proper control or for clearance of the shipment. Banks tend to avoid this function by charging high rates for this work.

It is a more common practice to designate a customs broker at the port of entry as consignee while indicating in the shipping document the actual purchaser as the ultimate consignee. The shipping documents are then mailed to the customs broker, with instructions first to clear the goods and then to release them to the importer on complying with the terms of the sale. At the same time, the exporter draws on the importer a draft that is sent to the bank for collection. Venezuelan customs brokers are considered reliable and usually follow instructions carefully.

In addition, a customs broker as consignee can be depended on to clear the merchandise through customs promptly, thus avoiding fines that accrue for goods remaining in customs beyond the 6-day maximum period.

It is a practice in Venezuela to consider sight drafts not payable until the shipment has arrived in Venezuela, and commercial banks will not generally present a draft for collection until the shipment has arrived.

Venezuelan importers prefer a quotation c.i.f. Venezuelan port since this permits ready determination of the total cost of the goods at the Venezuelan port.

Installment sales are widespread and account for a high level of total retail sales. Installment selling is used in retailing automobiles, household appliances, furniture, and, in general, all types of merchandise sold on installment in the United States. Stores, such as Sears Roebuck and the large chains, attribute a large volume of their business to their charge accounts and report good experience with credit sales.

The usual hours of business are from 8 a.m. to 6 p.m., with a 2-hour lunch. Retail establishments, including banks, usually open from 9 to 12 a.m. and from 2 to 6 p.m. Most retail establishments, banks,

***CAPITAL SUPERMARKET** : In Caracas, Venezuela's National Capital, a shopper might very easily lose himself in the vast building.*

HOTEL MARACAY, MARACAY, VENEZUELA : Men who carry on the business of their Maracay plants frequently stay here.

importers, wholesalers, and other establishments are open until noon on Saturdays and then remain closed until Monday morning.

Traditional holidays observed in Venezuela are the following:

January 1: New Year's Day
January 6: Epiphany
Carnival: Monday and Tuesday
before Ash Wednesday
Holy Thursday: date varies
Good Friday: date varies
April 19: Declaration Day
May 1: Labor Day
July 5: Independence Day
July 24: Bolivar's Birthday
October 12: Columbus Day
November 1: All Souls Day
December 25: Christmas Day

August and September are the months in which most persons take vacations.

Spanish is the language of business. Correspondence, catalogs, and technical literature should be written in Spanish. However, the officials of companies dealing with U.S. firms and educated Venezuelans frequently know the English language.

The metric system is the only system of weights and measures legally recognized. The customs law requires shipments to express weights and measures in the metric system. Other legislation prohibits use of non-metric units in trade.

The Venezuelan Government maintains price controls on drugs, pharmaceuticals, petroleum products, milk, meat, rent, and a few other basic consumer products as well as services.

URBAN HOME : Sixty-two percent of Venezuela's population lives in communities of 2,500 or more persons.

AIDS FOR TRAVELERS

Business visitors to Venezuela must obtain a transient visa, which is valid in the case of U.S. citizens for 1 year. Documents required by a Venezuelan consulate for issue of a transient visa are: (1) a valid passport, (2) certificate of smallpox immunization and of general health, both issued within the past 3 years, (3) certificate of good conduct, issued within the past 6 months by police authorities at place of residence, (4) letter from applicant's employer, stating purpose and duration of trip as well as assumption of responsibility for applicant during stay in Venezuela, and (5) four front-view photographs, 2 by 1½ inches.

Used articles of clothing, instruments needed in the exercise of a profession, toilet articles, and other items of personal use except furniture and a vehicle, which are subject to duty even for personal use, are regarded as baggage of the traveler and as such are accorded duty-free entry into Venezuela.

However, new articles which are legitimately part of passengers' baggage are charged a surtax of 20 percent of duty if the normal duties thereon are less than 600 bolívares. If the normal duties exceed 600 bolívares for such goods, the surtax is 45 percent of duty. For unused effects that cannot legally be considered part of passengers' baggage, the surtax is 50 percent of duty when the normal duties are under 500 bolívares and 100 percent on any excess over 500 bolívares.

Commercial travelers may bring into the country samples of noncommercial value, weighing up to 25 kilograms, free of duty. Samples of noncommercial value but weighing in excess of 25 kilograms are subject to an import duty of 0.20 bolívares per kilogram. Samples with commercial value may also be introduced into Venezuela duty-free by depositing with the customs authorities a bond in an amount equal to the applicable duties. But these must be reexported within 2 years of entry or the bond will be forfeited. This exoneration does not apply to samples of gold, silver, or platinum jewelry nor to precious stones. These can enter the country only by paying the corresponding import duties.

Taxi fare from Maiquetiá Airport to Caracas is 30 bolívares, or $6.60, but por puestos, i.e., taxis that carry several passengers, will take their passengers to their destinations in Caracas for 10 bolívares, or $2.20. In Caracas, the fare to any part of the city should not exceed 5 bolívares, or $1.10. A clear understanding regarding the fare should be made before undertaking a trip.

In Caracas, car rental service is available at reasonable prices. Small European makes may be rented for $5 a day. A U.S. operator's license is valid for driving in Venezuela.

Climate in Caracas is very pleasant with an average temperature of 70°F. and little deviation from this average throughout the year. Tropical worsteds and wash and wear suits are worn year round. During the winter months—December through March—one slightly heavier suit for evening wear is appropriate. In Maracaibo, Maracay, Valencia, San Tomé de Guayana, and cities in the lower elevations, light summer suits are worn year round. In Merida and other Andean cities, winter suits and a topcoat are worn. Formality in clothing is observed, and suits should be worn in making business calls.

The business card is essential in making calls.

In restaurants and bars, the waiter's tip is added to the bill, but practice requires an additional 5 percent.

A tip of about 1 bolívar, or $0.22, for small services, such as carrying one suitease, is appropriate.

Hotels and brokerage houses have high service charges for converting dollars into bolívares. Commercial banks are the best place to purchase exchange.

The U.S. Commereial Attache's office is located at the Embajada de los Estados Unidos, Avenida Principal de la Floresta, Esq. Francisco de Miranda. The telephone number of the Embassy is 336-331. The switchboard operator connects you with his office.

Caracas offers a wide range of hotel accommodations. The Tamanaco, gay and popular with Americans, and the Avila, quiet and elegant, are the two best hotels. The former has a small golf course and both have swimming pools. Rates begin at $15 a day for single rooms. The Potomac, Waldorf, and El Conde are among the good, smaller hotels in Caracas with rates in the $10 range. About 1-hour ride outside of Caracas and close to the Maiquetiá airport is the new and luxurious Macuto-Sheraton. This hotel is on the coast and has excellent beach and other facilities and is within commuting distance of Caracas. Prices start at about $15 for a single room.

In Maracaibo, the Hotel del Lago, which is operated by International Hotel Corporation, is popular with U.S. travelers. It charges about $15 a day for a single room. The Hotel Detroit is also popular and has more modest prices.

The state-owned National Corporation of Hotels and Tourism—CONAHOTU in an effort to promote travel and tourism operates a chain of hotels which are comfortable and attractive. CONAHOTU hotels are located in Barinas, Coro, Cumana, Guanare, Maracay, Mérida, Porlamar, San Cristóbal, Trujillo, and Urena. Prices for single rooms are in the $10 range.

Caracas, Maiquetiá, and Valencia have 110-volt, 50-cycle, single phase, alternating current. All the rest of the country is on 60-cycle current; a program is now underway to convert these three cities to 60-cycle current.

In order to leave Venezuela, businessmen traveling under a transient visa must first obtain a certificado de solvencia, a certificate assuring that they have paid taxes on their income earned in Venezuela. The amount of the tax is 6 percent of the earned salary while in Venezuela. In addition, an exit tax of 80 bolívares, or $17.77, must be paid.

CHAPTER V

Regulation of Imports

The encouragement and protection of domestic industries is the major factor determining Venezuela's import policies.[1] Other considerations include the maintaining of low prices for certain basic foods and pharmaceutical products consumed generally and also the obtaining of revenues for the Government since custom receipts amount to 6 percent of total Government revenues. Balance-of-payments difficulties were also important in deciding policy in 1959-61 but not now.

The tariff is by far the principal instrument for regulating imports and, as such, is the major impediment confronting importers. Still other governmental measures that either restrict or facilitate imports are import licenses, tie-in arrangements, consular fees,

[1] Information on import duties and other restriction affecting specific imports may be obtained from the American Republics Division, Bureau of International Programs, U.S. Department of Commerce, Washington, D.C., 20230.

←**BRANDNEW HOMES** : *Venezuelans are determined to supply themselves homes, including apartments in low-cost, public, housing sites.*

custom surcharges, excise taxes, import prohibition, import duty exoneration, import subsidies, and documentation.

Specific import duties, accompanied, in a few cases, by ad valorem surcharges are by far the most far-reaching as well as the principal impediments to imports into Venezuela. A few items are subject to ad valorem duties alone.

Duties affect virtually all imports and may be grouped into three broad categories: prohibitive, moderate, and nominal. Prohibitive duties are generally applied against commodities that can be locally produced in sufficient quantities to meet domestic demand. They range as high as $12.28 per pound for some textile apparel. Processed foods, apparel, furniture, and soap are examples of goods subject to duties that are frequently prohibitive. With the rapid growth in recent years of manufacturing industries, prohibitive duties affect an increasingly wide range of consumer durable and nondurable goods. Moderate duties are generally applied to consumer goods that are not produced locally or are produced in insufficient quantities. Nominal duties are generally applied to raw materials, semiprocessed goods, and capital equipment that contributes to the economic development of the country.

A prior import license is required for a significant number of imports, including ham, eggs, milk, cheese, canned soups, cigarettes, copper wire and cable, whisky, radios, televisions, passenger cars, record players, certain textile fabrics, lubricating greases, tires, brake linings, disinfectants, fiberboard, batteries, sparkplugs, aluminum windows, sewing machines, stoves, refrigerators, filters, mufflers, shock absorbers, radiators, certain artificial resins, and sanitary wares. The license is usually issued by the Ministry of Development or of Agriculture.

One purpose of the import license is to accord protection to the domestic industry without raising the price of the item. When domestic production of products subject to licensing falls short of the demand, import licenses are issued but only to the extent of the shortfall. When local industry is in a position to satisfy requirements, no licenses are issued. On those occasions when the Venezuelan Government has not been free to increase import duties on certain goods because the duties on those goods are bound under the terms of bilateral agreements with other countries, she has also resorted to the import license requirement as a means of according protection.

Import licenses are also required for imports of arms, ammunition, live animals, and airplanes. The import license in this case is required for reasons of public safety and sanitation.

A fairly large number of items are now subject to import license.

A number of items, mainly agricultural, are subject to tie-in arrangements, whereby the importer is required to purchase a specified quantity of the local product before authorization to import may be granted. Powdered milk, pork, black beans, and woolen yard goods are examples of items subject to tie-in arrangements.

The tie-in arrangement frequently provides for exoneration from import duties upon demonstration by the importer that he has made domestic purchases in a specified proportion. But the import license is not granted unless the required local purchase is made.

A consular fee ranging from 2 to 3.5 percent of the f.o.b. port of export value of the import is collected at the Venezuelan customhouses for certifying the consular invoice. The consular fee applies to virtually all imports. It is collected in bolívares converted at the rate in effect on the day of the vessel's arrival.

The fee is applied as follows for certifying consular invoices in seven copies with three copies of the bill of lading:

Value of goods, in bolívares	*Fee, in percent ad valorem*
At not more than 10 000	[1] 2
From 10 001 to 20 000	2.5
From 20,001 to 30,000	3
At more than 30,001	3.5

[1] Minimum fee of 5 bolívares.

The fee for a note of correction on an invoice is 10 bolívares and is to be paid by the consignee.

For certifying sanitary certificates or other special documents there is no charge.

In addition, the Venezuelan consulate abroad collects the following fees for visaing documents:

For each set of official consular invoice forms (7 copies)	$1.00
For certifying each extra copy of consular invoice	1.50
For replacing consular invoice previously certified	6.25
Letter of correction for invoices previously certified	gratis

A 2-percent ad valorem surtax is assessed on imports by parcel post.

Imported goods originating in the Guianas or in Antilles territories, which, on January 1, 1958, were not part of the Organization of American States, pay a surtax of 30 percent of the applicable duties. This surtax is not applied to goods transshipped from these areas provided such shipments are accompanied by a signed consular invoice issued elsewhere. This surtax is also not applied to articles originating in any of the British possessions in the Antilles or in British Guiana because of Venezuela's most-favored-nation commitment with the United Kingdom, nor is it applied to United States possessions.

In-transit goods or forced arrival goods, which are introduced for consumption in Venezuela, pay a surtax of 20 percent of the duties.

Merchandise introduced temporarily and not reexported within the specified time pays a surcharge of 10 to 20 percent of the duties according to a customs decision in each case.

Cargo that arrives on ships which cannot put back to sea and cargo that is not reexported within 30 days pays a surcharge of 20 percent of the duties.

Importation into Venezuela of a few products is reserved to the Government. The following items are reserved: coffee and coffee preparations and residuals; cottonseed, whole; salt; Indian hemp resin; opium in paste, cake, powder, extract, or tincture; cartridges and bullets for revolvers or pistols, cigarette paper, certain specified textile fabrics; used bags and sacks; unmounted pearls; military weapons; firearms; sidearms; projectiles and munitions of war; daggers, poinards, and flick knives; coins of base metals, not in circulation; warships; stamps, postage revenues and the like, official stamped paper, banknotes, stock and share certificates, shares, bonds and similar instruments of title, unused tickets for theaters, tramways, etc.; matches and vestas; ornamental objects with pearls; parachutes and catapaults; silver coins in circulation; coins of common metals; lottery bills and similar items.

Excise taxes are imposed on cigarettes and other tobacco products, alcohol and alcoholic products, gasoline and other petroleum products, and matches. Excise taxes imposed on cigarettes and alcoholic beverages are more onerous on the imported than the domestic product.

In an effort to encourage economic development and industrialization, Decree No. 255 of March 18, 1960, empowers the Executive to grant import duty exoneration to imports of raw materials, machinery, equipment, and utensils that are intended for use in industries, agriculture, mining, or fisheries. The importer must request exoneration from the Ministry concerned with a given economic sector; e.g., the Ministry of Development or of Agriculture. The Ministry may grant full or partial exoneration from import duties. A very significant part of Venezuelan imports in recent years have enjoyed such exoneration.

***EASY WAY TO MIX CONCRETE** : Crane and batch plant do the work.*

Imports made by National, State, or municipal governments also enjoy exoneration from import duties, but must have prior approval of the Ministry of Treasury—Ministerio de Hacienda. The Executive may also extend import duty exoneration to imports intended for religious orders, for public purposes, or for social assistance. Exoneration may also be granted to imports that are specified by laws or contracts approved by the National Congress.

There are no exchange restrictions affecting imports. Imports are paid for at the single rate applicable to all

imports. However, importers are given a rebate by the Central Bank of 1.15 bolívares for each dollar or exchange equivalent of purchases to cover payments for imports of certain specified essential products. These essential products with the Venezuelan Customs number preceding are as follows:

022-02-02-1—whole or powdered dry milk; 029-09-03—dietary or medicinal milks; 041-01-00—unmilled wheat and spelt; 054-02-01—dried beans, black beans; 054-02-02-4—peas; 081-04-01—fishmeal; 231-01-03—natural rubber and guns;

231-02-00—synthetic rubber, other rubber substitutes; 251-02-00—wood, straw, fiber, rag pulp, mechanical, or chemical; 292-05-00—seeds; 412-04-00—peanut oil; 512-09-18-1—organic compounds for the manufacture of insecticides, fungicides; 541-01-00—vitamins, preparations of vitamins; 541-02-00—bacteriological products, serums, vaccines, whether or not prepared as medicines;

541-03-00—penicillin, streptomycin, other antibiotics; 541-09-02-2, 541-09-03-3, 541-09-04-5—insulin, insulin preparations; 599-02-02-1—fungicides, herbicides, raticides; 599-02-02-2-B—insecticides in containers of more than 5 liters; 641-19-10-3—cardboard, bleached, or unbleached for use in manufacture of containers for dairy products, fruit juices; 681-07-01-1—tinplate, printed or lithographed; 681-07-01-9—tinplate, unspecified; 712-01-00—machinery, mechanical utensils for agriculture, animal husbandry; 713-01-01-1—assembled agricultural tractors whose weight does not exceed 6,000 kilograms, net; 716-01-03—pumps for water, other liquids, for agricultural use; 716-13-05-2—devices for spraying or atomizing liquids or powders, for agricultural use.

The subsidy for these imports was established on January 18, 1964, when Venezuela abolished the dual rate of exchange that had applied to imports and established a unified rate of exchange for all imports. The purpose of the rebate is to maintain relatively low retail prices for these essential imports.

Documents needed on freight shipments to Venezuela are the consular invoice, bill of lading, and, in some cases, an import license, certificate of origin, and sanitary and other certificates. On air cargo shipments, an international air cargo invoice and in some cases an import license, certificate of origin, and sanitary and other certificates are required.

The Venezuelan customs will require that one signed copy of the bill of lading and four signed copies of the consular invoice be visaed by the Venezuelan Consulates abroad. These documents are required in order to clear the goods through customs. If they are not presented to the customs authorities within 6 days after the arrival of the vessel, a fine is imposed.

"To order" bills of lading are not legal in Venezuela. Merchandise must be consigned to a specific individual or firm.

The Commercial Code of Venezuela provides that an obligation drawn on a foreign currency may be considered paid, unless otherwise indicated in the instrument, by the delivery of bolívares at the rate of exchange in effect on the date of payment. The exporter can protect himself against possible exchange losses resulting from this requirement by instructing the collection bank as follows:

> "You are authorized to accept provisionally the equivalent of the U.S. dollar amount of the draft in your local currency, pending availability of U.S. dollars, upon the condition that the drawee remains liable for the U.S. dollar amount until the same shall have been received by you in U.S. dollars, free for remittance to us.
>
> "Please obtain the agreement in writing of the drawee to these conditions. Any documents sub-

TO MARKET, TO MARKET : This tanker and more like it load continuously at Venezuelan refineries and depart for world markets.

mitted herewith may be thereupon surrendered to the drawee but the draft should not be surrendered until you shall have received the U.S. dollar amount thereof, free for remittance to us."

In these instances, the draft should bear the notation "Payable only by bankers sight draft on New York satisfactory to beneficiary."

In making declarations on consular invoices, extreme care should be taken to follow to the letter the wording in Spanish of that part of the tariff item applying to the particular goods, as specified in the existing Venezuelan customs tariff law. Any deviation from this phraseology, or the slightest error in declaring weights, or in conversion to metric units, or in other essential details is liable to fine. By following closely the instructions furnished by the importer, the exporter can avoid complaints and claims arising from errors in documentation.

Other governmental actions affecting imports are commercial agreements, interest in acceding to the Latin American Free Trade Association, and United States–Venezuelan representation.

A trade agreement between the United States and Venezuela, which became effective on December 16, 1939, provided for mutual, unconditional, most-favored-nation treatment. The agreement was supplemented and amended by an agreement signed August 28, 1952, and effective October 11 of that year. Commercial relations between the United States and Venezuela are governed by the terms of these agreements.

Unconditional most-favored-nation treatment is also accorded by Venezuela under the terms of bilateral agreements with Canada, Belgium, Bolivia, El Salvador, France, Great Britain, Italy, Netherlands, and Spain.

Venezuela is not now a member of the Latin America Free Trade Association—LAFTA, which includes Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, and Peru. The purpose of LAFTA is the eventual establishment of a single regional market. Venezuela has expressed its interest in acceding to the LAFTA, and studies are underway to determine the advisability of participation. Venezuela's relatively high cost structure presents competitive difficulties for some of its agricultural and manufacturing industries. But some observers feel that Venezuela can enjoy a comparative advantage with respect to iron and steel products, aluminum and its manufactures, petroleum, and petrochemical products.

Venezuela maintains an Embassy in Washington, D.C., and consulates at 801 Keyser Building, Baltimore, Maryland; Apartado 406 Canal Zone, Colon, Republica de Panama; 664 First National Bank Building, Chicago, Illinois; 405 Main Street, Houston, Texas; 904-6 Ingraham Building, Miami, Florida; 118 North Royal Milner Building, Mobile, Alabama; 1107 Queen and Crescent Building, New Orleans, Louisiana; 600 Fifth Avenue, New York, New York; 401 Liberty Trust Building, Philadelphia, Pennsylvania; Builders Exchange Building, Portland, Oregon; P.O. Box 1364, San Juan, Puerto Rico; 821 Market Street, San Francisco, California; and 140 Bull Street, Savannah, Georgia.

The United States maintains an Embassy, with consular services, in Caracas and consulates in Maracaibo and Puerto la Cruz.

FIRMS INTERESTED IN SALES TO VENEZUELA

- Know the market.
- Obtain information from all available sources.
- Visit the market and spend sufficient time to make careful assessment of market possibilities.
- Give careful consideration to the selection of an agent.
- Keep in close touch with the agent and have company representatives and technicians, knowledgeable in Spanish, make frequent visits to assist him.
- Adapt the product to market. It is a price conscious market in which competition is keen.
- Offer as favorable credit terms as possible and tailor their terms to the credit rating of the customer. On sales of capital equipment, consider possibility of offering deferred terms.
- Quote c.i.f. whenever possible.
- Answer correspondence promptly and in Spanish.
- Prepare advertisements, catalogs, and technical literature in Spanish.
- Know the services offered by the U.S. Department of Commerce Field Offices and by the Commercial Attache in the United States Embassy, Caracas.

APPENDIX

Commercial Regions of Venezuela

In the sale and distribution of most products, importers usually regard Venezuela as a single integrated market. Most importers have their head offices in Caracas and their branches throughout the rest of the country to provide nationwide distribution of their product. However, population characteristics, transportation facilities, and certain geographical and economic features tend to divide the country into three reasonably distinct commercial regions, the Central, Western, and Eastern zones.[1] Independent importers may be found in each of these three zones, and some exporters find it more effective in developing the market to set up independent distributorships in each. While the zones overlap in some cases and include commercial centers whose spheres of influence extend beyond any one zone, they nevertheless provide a rough picture of trade patterns within the country. Caracas in the center, Maracaibo in the west, and the Puerto La Cruz—Barcelona—Cumaná area in the east are the principal distribution centers for each zone, but other cities also compete for commercial influence.

The relative importance of these three zones is reflected by the distribution of population. (See table 26.) More than half of the nation's inhabitants live in the Central Zone. One-third, of the zone's population lives within the metropolitan area of Caracas. Thirty percent of the total population is found in the western zone, with 20 percent of the zone's population in the city of Maracaibo. The Eastern Zone has 19 percent of the nation's population, with 39 percent of the zone's population residing in the Puerto la Cruz—Barcelona—Cumaná urban area.

Also indicative of relative importance are the data in table 27 on total vehicle registration in 1961 as well as the total import data in table 28, by ports, for 1962.

The Central Zone includes most of the northern highlands as far to the east as the Unare River Valley, most of the major Caribbean coastal towns and ports, and nearly all of the llanos. In the North are located the nation's largest cities and manufacturing centers—Caracas, Valencia, and Maracay and some of the richest agricultural land in the country. In the South is found some of the better grazing land.

Smallest in area of the three zones is the Western Zone, comprising the Lake Maracaibo basin and the Andean States to the south and southeast. The importance of this zone arises from the fact that it produces two-thirds of the nation's petroleum and ranks as an agricultural and livestock region. Its foremost commercial center is the city of Maracaibo.

The Eastern Zone owes its importance mainly to petroleum and iron ore mining. With the recent establishment of a large steel mill and construction of substantial hydroelectric facilities, attention has focused on the Guayana region as a potential industrial complex. However, the zone, as a whole, is generally depressed. The Puerto La Cruz—Barcelona—Cumaná area is the commercial center of the entire zone, although Ciudad Bolívar and San Tomé de la Guayana are also of commercial significance.

CENTRAL ZONE

The Central Zone contains the major marketing area of Venezuela, which includes the Federal District—the area in which Caracas is located—the nearby States of Miranda, Aragua, and Carabobo, and the States of Yaracuy, Lara, Portuguesa, Cojedes, Barinas, Apure, and Guárico. This zone comprises 28 percent of the national territory but 51 percent of the nation's population and an even greater portion of the national income. Nearly 65 percent of the zonal population is concentrated in the Federal District and in the three States of Miranda, Aragua, and Carabobo. In this zone is located at Caracas the political, cultural, commercial, financial, and industrial center of Venezuela. Caracas accounts for 60 percent of the national industrial output. Also in this zone are

[1] This division of Venezuela, while convenient for a discussion of commercial regions, is, of course, different from the more usual division of the country into 4 geographical regions: (1) the Maracaibo Basin, (2) the Andean Region, (3) the llanos and (4) the Guayana Region, which are described in chapter II of this report.

Valencia, in the State of Carabobo, and Maracay, in Aragua, the next two major manufacturing centers of Venezuela. The zone stretches from the Caribbean Sea in the north to the Apure and Orinoco rivers in the south, embracing a highly diversified geographical area characterized by mountains in the north and west, tablelands in the central region, and lowlands to the east and south.

Northern Section

The most heavily populated and most highly developed part of Venezuela is the northern section of the Central Zone. This section comprises the Federal District and the States of Miranda, Aragua, and Carabobo. In this area are most of the nation's leading cities and most of the important manufacturing industries exclusive of petroleum refining, petrochemicals, and steelmaking as well as some of the richest agricultural regions. The most comprehensive and efficient communications and transportation systems in the country interconnect the cities in this section and facilitate the flow of trade. Chief among the commercial and industrial centers in this area are Caracas, Valencia, and Maracay.

Caracas

Caracas, lying partly in the Federal District and partly in the State of Miranda, is the largest city. The metropolitan area has a population of 1,336,119, or 17 percent of the nation's population; the city proper has a population of 786,710. Its population increased 75 percent between 1950-61 while that of the nation increased 48 percent.

The city lies in a narrow valley in the coastal mountain range, 22 miles inland from the port of La Guaira on the Caribbean Sea. Its elevation above sea level is 3,018 feet. The temperature ranges from 70°F. in May to 66°F. in January. The average annual rainfall is 32 inches. April to October is the season of the most rains, and December to March is the season of the coolest weather.

The city's history dates back to 1567, when Caracas was founded by the Spanish explorer, Diego de Lozada. It became the seat of government in 1576, but its jurisdiction over the country as a whole was not officially established until some 200 years later. In early times, settlers were attracted to the city by the gold in the nearby hills of Los Teques, which later became a popular weekend resort for Caraquenos, the residents of Caracas. Twice in its history the city was sacked, first by the British in 1595 and then by the French in 1766. And twice the city has been partly destroyed by earthquakes, once in 1812 and again in 1900. Partly as a result of the destruction suffered in the past and largely as a consequence of the extensive building and modernizing programs in recent years, the atmosphere of colonial days is yielding rapidly to commercial and industrial growth.

Caracas dominates the economic life of the nation. It is the seat of Government, the headquarters of banking, commercial, and financial institutions, and the principal center of industrial activity. The city and its environs constitute the largest distributing and consuming area in Venezuela. Virtually all the major importers have their headquarters in this city and have distribution branches which extend throughout the rest of the country.

Caracas is the hub of the nation's transport and communication system. The nation's main trunk lines radiate from this city. The country's largest airport accommodating jets—at nearby Maiquetia—and the seaport—at nearby La Guaira—facilitate the flow of the city's trade with domestic and foreign points. The city is served by about 19 radio broadcasting stations, 3 television stations, and 7 major dailies, including the English language Daily Journal.

A wide range of industrial items is produced within the metropolitan area, including dairy products; preserved foods, edible oils, beverages; tobacco products; textiles; wearing apparel; chemical and pharmaceutical products; paints, soap, and toilet preparations; matches; rubber products; shoes and leather products; stone, clay, and glass products; plastic products; metal products; and automobiles and batteries.

In the Greater Caracas Metropolitan Area are many communities in the Federal District and the State of Miranda. Among these communities are, by population: El Valle, 110,546; El Recreo, 102,317; Petare, 77,581; La Vega, 64,648; Chacao, 64,127; Baruta, 45,572; Los Dos Caminos, 44,443; and Antímano, 36,926.

Los Teques

Some 18 miles to the southeast of Caracas lies Los Teques, population 34,905, clothing center, and the capital of Miranda State. Forty miles to the south of Caracas lies Acumare del Tuy, population 14,970, the commercial center of the Tuy Valley and the location of distilling and canning industries. North of Caracas and connected to it by good, surfaced roads are the coastal cities of La Guaira, population 20,681, Maiquetiá, population 76,457, and Macuto, population 6,982. La Guaira is the port for Caracas, Maiquetiá is the site of the international airport for Caracas and the location of some industries including brewery and flour mill, and Macuto is a beach resort. El Caribe, Naiguatá, and Los Caracas are other close-by beach resorts. East of Caracas is the agricultural valley of Barlovento. A highway connects Caracas to the towns of Guarenas, Guatire, Cancaqua, Rio Chico, and Hiquerote to the east.

Valencia

Second in importance among the cities in the northern section of the Central Zone is Valencia, population 163,601, capital of the State of Carabobo, and fourth largest city of Venezuela. The city has had spectacular growth in recent years, as a result of the many new manufacturing establishments, mainly U.S. firms, that have been attracted to its environs. Situated west of Lake Valencia, about 34 miles by highway south of Puerto Cabello and 102 miles by highway west of Caracas, the city has an elevation of 1,568 feet and a warm, but not unpleasant climate. The annual average temperature is 76° F., with extremes of 63° and 101°, and the annual rainfall varies between 36 and 52 inches.

Valencia was founded in 1555 and despite its commercial and industrial development has retained much of the atmosphere of colonial days. It is the principal distribution center of the Aragua Valley (Lake Valencia basin), one of the most intensively cultivated agricultural regions in the country. The

valley is a dairy region and the traditional fattening ground for beef cattle received from the ranges of the grazing States to the south and southwest. However, Valencia's importance today is due to its industrial growth in recent years and to the many new types of industries that have been attracted. The city, supported by a local citizens group called Fundacion Para El Mejoramiento Industrial y Sanitario de la Ciudad—FUNVAL offers incentives to new industries, including a well-situated industrial zone. A host of U.S. companies, including Ford, Du Pont, Celanese, General Tire, Goodyear, Union Carbide, Firestone, and General Electric, are already located here. Factories for the manufacture of household appliances, automotive parts, cables, textiles, cement, paper, bottle caps, edible oils, toilet soaps and toilet articles, pharmaceuticals, confections, and various foods and beverages are among the enterprises established in Valencia. Other enterprises include automobile assembly, feed mixing, and pasteurization.

Valencia is situated at the junction of main arterial highways which converge from the north, east, south, and west and provide easy access by highway to other places. The city is also connected to Maracay and Caracas by a 111-mile railroad line. Frequent and reliable air service connect the city with all major points of Venezuela.

Coastal and ocean trade for the city of Valencia and the Aragua Valley as well as for the State of Yaracuy and large areas in the States of Lara, Falcón, Cojedes, and Portuguesa is channeled through Puerto Cabello, population 52,222, the nation's second dry-cargo port. It probably possesses the best natural harbor of any Venezuelan port and, because of the rapid development of the cities and area that it serves, is likely to grow in importance.

Puerto Cabello

Puerto Cabello, in the State of Carabobo, is built on low-lying land only a few feet above sea level and has a warm and humid climate. The temperature ranges from 65° to 95° F., with a mean average of 80°. The annual rainfall averages 37 inches, with appreciable variations from year to year.

Although primarily a shipping center, Puerto Cabello is also a fishing port and industrial city. Industrial activities include shipbuilding and repairing in the country's only major facilities, tanning, metalworking, and the production of vegetable oils and fats, copra, footwear, soap, candles, confectioneries, carbonated beverages, and tobacco products. The processing of oil from the coconuts grown in the narrow littoral in which the city is situated has become a lucrative industry.

Thirteen miles east of Puerto Cabello at Moron is the site of the country's only petrochemical plant, operated by the Government-owned Venezuelan Petrochemical Institute—IVP. Off the same highway, but only about 10 miles east of Puerto Cabello at El Palito, is Venezuela's largest paper plant, C. A. Venezolana de Pulpa y Papel—VENEPA, and the petroleum refinery of Mobil Oil.

A main arterial highway leading south permits easy movement of cargo from the port of Valencia about 25 miles to the south and to destinations further south and east. A coastal highway connects the port to Coro and to Maracaibo in the east, while another main highway runs southeast to San Felipe, Barquisimeto, and the Andean region. A new 109-mile railroad also connects Puerto Cabello with Barquisimeto, and domestic airlines provide frequent service between the port and other Venezuelan points.

Maracay

Thirty-three miles east of Valencia, on the railway and highway that link Valencia with Caracas, is the city of Maracay, population 110,546, capital of the State of Aragua, and fifth largest city in Venezuela. Maracay is located on the northeastern short of Lake Valencia at an elevation of 1,460 feet. It has an average annual temperature of 80° F. with average extremes of 69° and 90° and an average annual rainfall of 36 inches.

Maracay owes its significance today to its manufacturing industries, which, next to those of Caracas and Valencia, are the most productive in the country.

The area in which Maracay is located is an agricultural and pastoral area producing significant quantities of coffee, cotton, sugar, and rice in addition to livestock and dairy products. Many U.S. firms have established manufacturing operations in this city, producing a wide assortment of manufactured goods, such as insecticides (Pennsalt Comanil, C.A.), textiles (Sudalon, C.A., subsidiary of Merchants and Manufacturers, Inc.), tobacco (Tobacalera Nacional, C.A., subsidiary of Phillip Morris) or Envases Venezolana, S.A. (subsidiary of American Can). Footwear, glasswear, paper, plastic products, furniture, vegetable oils, animal feeds, milled rice, and other food products are other products locally manufactured.

Maracay has good highway connections with other cities in the north-central part of Venezuela. In addition, it is served by the Valencia—Caracas railway.

Other Cities

Other commercial centers in the Aragua Valley, by population, are: La Victoria, 22,291; Villa de Cura, 19,787; Cagua, 16,230; Guacara, 11,343; and San Mateo, 10,419. All are within 25 miles of Maracay. These cities serve agricultural and pastoral districts, but, because of their proximity to large marketing centers, have attracted a growing number of manufacturing plants.

NORTHWESTERN SECTION

The northwestern part of the Central Zone, embracing the States of Lara, Yaracuy, and the northern section of Cojedes, is a rich agricultural area. Significant quantities of sugarcane, sisal, corn, beans, tomatoes, and fruits are produced in Lara; cacao, rice, tobacco, and fruits, in Yaracuy; and rice, in northern Cojedes. The raising of livestock is also a major activity in this area.

Barquisimeto

Barquisimeto, population 199,691, capital of the State of Lara, is one of the fastest growing cities in Venezuela and is exceeded in size only by Caracas and Maracaibo. Barquisimeto is located on the northern edge of an extensive plain that forms the western gateway to the llanos. North of the city

lies the Turbio River Valley, rich in sugarcane and sisal. The city has an elevation of 1,860 feet. Its climate is warm and dry, with an annual temperature averaging 77° F. and an annual rainfall averaging 19 inches.

The city is the commercial center for the rich outlying agricultural region which it serves, but it is also a manufacturing center of growing importance. Food processing comprises the principal industry, but other manufacturing activities have been introduced in recent years. Chief among the manufacturing activities are coffee-roasting. tanning, sugar refining, processing of edible and inedible oils, production of sisal bags, meat, dairy products, clothing, cement, footwear, furniture, foodstuffs, beverages, pharmaceuticals, construction materials, and metal fabricated products.

Barquisimeto is served by good highways extending to other major cities. A major highway leads west to Carora where other roads extend to Maracaibo and the Andean Region. Road connections to Acarigua, Guanare, Barinas, and the eastern llanos provide access to this region, and a similar good road exists from Barquisimeto to Valencia, Maracay, Caracas, and points east. The city is connected to its port of Puerto Cabello by highway and by a 109-mile railroad. Domestic airlines provide daily service to other Venezuelan cities.

San Felipe

Halfway between Barquisimeto and Puerto Cabello on the highway and railroad line which links the two cities is San Felipe, population 5,096, capital of the State of Yaracuy. San Felipe lies in the Yaracuy Valley at an elevation of 820 feet. Its average temperature throughout the year is 79° F. and its annual rainfall, 55 inches.

San Felipe is the trading center of the cacao-producing lands in northern Yaracuy. It is essentially an agricultural and livestock market, with few industries. Rice-milling is perhaps its most important industry.

Other Cities

Cities of lesser importance in Lara, Yaracuy, and the northern part of Cojedes include the following, by population: Carora, 23,134, and El Tocuyo, 15,261, in Lara; Yaritigua, 14,422, and Nugura, 7,325, in Yaracuy; and San Carlos, 11,935, and Tinaquillo, 8,130, in Cojedes. Carora is developing rapidly as a commercial center while El Tocuyo is noted as a sugar-refining center. San Carlos is the capital of Cojedes State and is a colonial city that attracts tourists. These towns are mainly commercial centers, serving the surrounding rice, sugar, cotton, and livestock farms, but sawmills, tanneries, and sugar refineries and other food-processing industries are also located among them.

REMAINDER OF CENTRAL ZONE

The rest of the Central Zone comprises the States of Portuguesa, Barinas, Apure, Guárico, and most of Cojedes, which, combined, embrace the tablelands in the west and north and the low-lying llanos in the south. These States constitute an extensive agricultural and pastoral region in which few manufacturing enterprises exist. In addition to farming and the raising of livestock, forestry in Portuguesa and petroleum extraction in Guárico are significant economic activities. Cheese and raw milk are produced throughout the region, particularly in Portuguesa, Barinas, and Guárico. Some of the best grazing land in Venezuela is located in Apure and western Barinas, where the principal activity is raising beef cattle. Livestock raising is also the chief occupation in Cojedes and Guárico, which are important suppliers of meat to the populous centers in the North. The most important areas of agricultural production in this section are in the north and west, and the principal crops are rice, cotton, sugarcane, tobacco, and corn. The largest cities in this region are Acarigua in the State of Portuguesa; San Juan de los Morros in the State of Guárico; and San Fernando de Apure in the State of Apure.

Acarigua

Acarigua, population 30,635, is located on the Valencia–Barinas highway, halfway between those two cities, or 120 miles from each. It is also connected by an all-weather road with Barquisimeto, 47 miles to the north. The city is situated at an elevation of 610 feet and has an average temperature of 81°F. Sawmills, rice mills, and cotton gins constitute the city's principal industries. Acarigua is a lumbering center with many sawmills located in and around the town.

This city, population 27,062, capital of the State of Guárico, is situated close to the Aragua State boundary, about 15 miles from Villa de Cura and 91 miles from Caracas. The city has an elevation of 1,410 feet, an annual average temperature of 76° F., and annual rainfall of 53 inches. It is the center of an agricultural district and, because of nearby mineral springs, is a popular tourist and health resort.

San Fernando de Apure

San Fernando de Apure, population 24,443, is the capital of the State of Apure. It lies on the south bank of the Apure River near the mouth of the Portuguesa River. Situated at an altitude of 240 feet, it has an annual average temperature of 82° F. and rainfall of 55 inches.

As the commercial center of a cattle region, San Fernando de Apure is a leading livestock market. Fishing is also an activity of some importance. A packing plant processes both meat and fish. Cotton ginning and sugar refining are other activities of the city.

For this rather remote city, the service provided by domestic airlines has been vital to its growth. The Apure River is also of considerable significance, providing water connections with Calcara, Ciudad Bolívar, and San Tomé de Guayana on the Orinoco River. The city is also connected to the population centers of the north through an unpaved highway to Calabozo which is located 75 miles to the north and on to San Juan de los Moros located about 150 miles north.

WESTERN ZONE

The Western Zone consists of five States: Zulia, Mérida, Táchira, Trujillo, and Falcón; it contains 13 percent of the national territory and 30 percent of the national population. Three-quarters of the nation's vast petroleum wealth comes

from this region in Zulia State. In addition, coffee, cacao, dairy products, meat, shrimp, lumber, coal, clay, and products of light manufacturing industry are also significant in the local economy. In the Andean States of Mérida, Táchira, and Trujillo, agriculture, pastoral, and lumbering activities are the principal pursuits. Food processing represents the principal industry. Falcon is principally agricultural, but some of the world's largest petroleum refineries are located there in the Paraguana Peninsula at Amuay and Cardon. Oil from Lake Maracaibo is transported by pipeline for refining at these installations. The State of Zulia contains 54 percent of the zone's territory and 41 percent of the zone's populaation. Petroleum dominates the economy of Zulia. Attempts to diversify the economy have succeeded in attracting some industry while the production of meat, dairy products, fish, and agricultural products has also gained in importance.

STATE OF ZULIA

The political and commercial center of the State of Zulia is Maracaibo, the capital of the State and the Nation's second city. Maracaibo has a 1961 population of 421,166, which is equivalent to 45 percent of the State's total population. It is a distributing center for the entire Lake Maracaibo Basin, the Andean region, and part of the State of Falcón. The city lies on the western side of the entrance to Lake Maracaibo, a lake 115 miles long and 70 miles wide that covers 5,000 square miles. The lake is the largest in South America and is about the size of Lake Erie.

Maracaibo

Maracaibo's prospects as a distribution and commercial center were considerably improved with the completion in August 1962 of a 5½-mile bridge across the narrow neck of the lake. Until the bridge opened, a lake ferry connected Maracaibo with eastern Venezuela and the petroleum towns on the eastern side of the lake: Cabinas, Lagunillas, Bachaquero, and Mene Grande.

Situated at an elevation of only 30 feet and lying close to latitude 10° N., Maracaibo has a hot and humid climate. The average annual temperature is 86° F. and the relative humidity ranges from 72 to 86 percent. July, August, and September are the warmest months while December through February are the coolest. Although the annual temperature ranges from 73° to 103° F., the temperature for any one day seldom fails to reach 90°. Annual rainfall ranges from 17 to 22 inches, but rain is heavy from May to October when thunderstorms are frequent.

The site of the present city of Maracaibo was discovered by Alonzo de Ojeda in 1499. Because of a fancied resemblance to Venice in the native villages constructed atop poles above the waters of the lake, the explorer gave the community the name later applied to the entire country—Venezuela, Little Venice. It was not until 75 years later that the city of Maracaibo was founded, and for the next 350 years the city's growth was slow, reaching only 35,000 inhabitants in 1923.

With the discovery of oil and development of the petroleum industry, Maracaibo changed from a little-known tropical port town into one of the world's leading petroleum centers. The city's population increased nearly 12 times between 1923 and 1963. Today, the main oil companies maintain only skeletal administrative and public relations offices in Maracaibo. The main offices are located in Caracas. The producing and refining centers are established on the east side of the lake and throughout the rest of the country. Nevertheless, Maracaibo remains a major distribution center which supplies the needs of the petroleum companies and their employees and of the other residents of the Western Zone.

As the port and distribution center for Zulia, Maracaibo serves an area which produces three-fourths of the nation's petroleum and which, in addition, grows sugarcane, bananas, potatoes, corn, yucca, beans, cotton, coconuts, and rice.

Production of meat and milk ranks next to petroleum among the industries of Zulia, accounting for 50 to 80 percent, respectively, of the total Venezuelan output. Pasteurization and powdered milk plants operate throughout the State. Large quantities of processed liquid milk are transported to the east in milk tank trucks. An ultramodern slaughterhouse utilizes all the byproducts from slaughter. Other slaughterhouses are modernizing their operations. Meat is shipped in refrigerated trucks to other parts of Venezuela.

Lake Maracaibo and the Gulf of Maracaibo abound in fish and shrimp. Processing and shipment of frozen shrimp are growing in importance. The United States is a principal market.

Lumbering also contributes to the State's income.

Maracaibo has been known mainly as a distribution center. Yet, it has succeeded in establishing some industries and, with the recent decline in petroleum exploration and development, has given renewed impetus to diversifying its economy through industrialization. Among the manufactures in the city are cement, brick, tile, aluminum shapes, beer, flour, animal feed, furniture, leather and footwear, door and window frames, sugar, confections, crackers, paints, paper products, alcoholic and carbonated beverages, soap, pharmaceutical and toilet preparations, and macaroni.

Grano de Oro airport in Maracaibo accommodates domestic and international flights and has facilities for jet traffic. However, a new airport is now under construction, one that will provide more adequate facilities for international jet flights.

Maracaibo is served with port facilities which, though limited, are modern and are located in the heart of the city.

Other Cities

Other cities and towns in the State of Zulia are dwarfed by Maracaibo. The more important of these cities, situated on the eastern side of the lake, by population, are: Cabimas, 92,652; Ciudad Ojeda, 54,247; Mene Grande, 11,583; and Altagracia, 7,362. The last is important as a petroleum-loading port. The first three are the leading commercial centers serving the oilfields along the eastern shore of Lake Maracaibo. In the western part of Zulia, and about 75 miles distant from Maracaibo, is Machiques, population 11,115, a livestock, dairy, and sugar center. In the southern part of the State, Encontrados and San Carlos are of local significance as transportation centers to the Andean States.

STATES OF TACHIRA, MERIDA, AND TRUJILLO

The States of Táchira, Mérida, and Trujillo produce coffee, cacao, sugarcane, rice, wheat, corn, and vegetable fibers. They

also produce hides and skins and lumber. Their industries make flour, sugar, leather, sandals, shoes, ceramics, and furniture. Trade between these States and foreign ports is routed through both Maracaibo and Puerto Cabello. There is, in addition, a lively trade, some of it contraband, between the State of Táchira and the Colombian Department of Norte de Santander.

San Cristóbal

Largest of the cities in this agricultural region is San Cristóbal with a population of 98,777, capital and commercial center of Táchira, and sixth largest city in Venezuela. The city is situated at an altitude of 2,700 feet and has a mild climate with an average temperature of 72°F. Rainfall is moderate and well distributed throughout the year.

San Cristóhal is the trading center of an agricultural district whose chief products are coffee, wheat, sugar, and cattle. Close trade relations exist between San Cristóbal and Cúcuta, Colombia, in the west; this commerce represents an important part of the city's economic life. Trade is largely in agricultural products, livestock, textiles, heverages, and tobacco products. The principal manufactures include coffee roasting, rice milling, and thc manufacture of cement and carbonated beverages.

Transportation to all sections of Venezuela is offered daily by the domestic airlines. Road connections to Caracas and the Andean Region are adequate.

Other Cities in Táchira

Towns of secondary importance, by population, in the State of Táchira include Rubio, 11,789; Cardenas, 9,717; San Juan de Colón, 8,910; and La Grita, 7,854. They are agricultural or trading centers with manufacturing activity concentrated mainly in food processing, heverage making, and tanning. The town of San Antonio is of significance as a custom port of entry and exit for trade with Colombia. La Fría is the southern terminal of a railroad to Encontrados in the State of Zulia. Ureña is a site of a sugar refinery of the Venezuelan Development Corporation, a Government entity.

Mérida

In the State of Mérida, which is said to produce the hest quality coffee in Venezuela, the largest city is Mérida with a population of 46,409, the capital of the State. The city lies among the Andes, at an altitude of 5,385 feet, and has a cool and moist climate. The average annual rainfall is 71 inches, and the average annual temperature, 67° F. Because of its scenic setting and colonial atmosphere, the city is a popular tourist attraction. The commercial center of a farming region, notable for the production of coffee, whcat, sugarcane, and a variety of other crops, Mérida is situated on the Trans-Andean Highway, by which it is connccted with the city of Trujillo, 133 milcs to the northeast, and the city of San Cristóhal, 172 miles to the southwest. Its industrial development is limited and largely confined to milling, tanning, and the manufacturing of shoes, textiles, ceramics, and furniture.

Other Cities in Mérida

Among the cities of lesser importance are Tovar, Ejido, Santa Cruz, and Timotes. The largest of these is Tovar with a population of 9,730, located on the Trans-Andean Highway 57 miles southwest of Mérida, and the trading and industrial center of an agricultural and stockraising region. Leading crops of this place include citrus fruits, coffee, sugarcane, wheat, and tobacco. The city's industries process foodstuffs, prepare heverages, and manufacture leather and leather goods. Ejido, Santa Cruz, and Timotes serve as marketplaces.

Valera

The leading commercial center in the State of Trujillo is Valera, population 46,640, the huh of much of the State's export trade in coffee, cacao, sugar, and fruits. Valera is on the Trans-Andean Highway about 27 miles distant from the State capital, Trujillo. It is connected by highway with Motatán, the junction site of the road leading to Altagracia, in Zulia. To the west, a road connects Valera with the Lake Maracaibo port of La Ceiba. Valera has an elevation of 1,775 feet, an average annual temperature of 76° F., and an average annual rainfall of 40 inches.

Industries in the city include sugar milling, tanning, and the manufacture of footwear, pottery, and bricks.

Trujillo

Second in size and commercial importance to Valera is the city of Trujillo, population 18,925. Located at an altitude of 2,600 feet, Trujillo has an average annual temperature of 74° F., and an avcrage annual rainfall of 37 inches. The principal products of the surrounding area are sugarcane, coffee, cacao, corn, and vegetable fibers. Its chief industries are milling and the manufacture of carhonated beverages and alpargatas (sandals). Scheduled air services operate into Trujillo, and highway connections link the city with other points of importance in the southwest and northeast.

STATE OF FALCON

The State of Falcon's commercial bonds with Maracaibo and the State of Zulia are strengthened by the existence of thc Shell Oil Company and Creole Petroleum Company refineries at Amuay and Punta Cardon, respectively, on the Paraguana Peninsula. Petroleum from the Maracaibo basin is piped to these refineries. The refinery at Amuay has a daily capacity of 328,400 harrels and the one at Punta Cardon, of 245,000 barrels. In the southern parts of Falcón, however, close trade relations exist with Barquisimeto in the State of Lara in the Central Zone and, farther to the east along the coast, with San Felipe in the Statc of Yaracuy and with Puerto Cahello and Valencia in the State of Carabobo. In general, the more highly developed sections and municipalities of the State, including Coro and the petroleum camps on the Paraguana Peninsula, lie within the orhit of Maracaibo's commercial influcnce.

Coro

By far the largest of the cities in Falcón is the State capital, Coro, population 45,368, which is strategically situated at the base of the Paraguana Peninsula. Located in a low-lying littoral, Coro has an elevation of only 53 feet, an average annual temperature of 83° F., with extremes of 56° to 107°, and an average annual rainfall of only 17 inches. The city is the marketing and distribution center of the northern part of the State, and owes its importance largely to its strategic location as a distribution center for the Paraguana Peninsula. Corn, coffee, lumber, hides, and salt are the principal products of the surrounding area, and the chief manufactures of Coro are handicrafts and beverages, particularly rum.

Coro is the hub for highways leading north to the Paraguana Peninsula, south to Barquisimeto, west to Maracaibo, and east to Morón (site of the petrochemical industry), Puerto Cabello, Valencia, and Caracas. Daily flights are provided by the domestic airlines. In addition, La Vela, population 4,971, located 8 miles east of Coro, serves as a port for a significant amount of coastal trade between Coro and other Venezuelan ports.

EASTERN ZONE

The Eastern Zone is composed of the States of Anzoátegui, Nueva Esparta, Sucre, Monagas, and Bolívar and the Federal Territories of Amazonas and Delta Amacuro. Although embracing 208,147 square miles, or 59 percent of the nation's total land area, the Eastern Zone has only 19 percent of the national population—roughly 1.4 million inhabitants. Its living standards are generally lower than those in the Central and Western Zones.

Petroleum production and refining take place mainly in Anzoátegui and Monagas States and iron ore mining in Bolívar State. These are the two key activities of the zone, providing the greatest share of the regional income and of foreign exchange earnings. Venezuela's only integrated steel mill is located in this zone in Bolívar State, near the confluence of the Orinoco and Caroní Rivers. Among other major economic activities of the Eastern Zone are salt production on the Araya Peninsula in Sucre State, coal mining at Naricual near Barcelona in Anzoátegui State, gold and diamond mining in the east and southeast of the Caroní River in Bolívar State, and commercial fishing—particularly sardine—along the coast and on Margarita Island in Nueva Esparta and on other islands. Margarita is also noted for its historic pearl industry. Fish canneries, mainly sardines, are located in the principal coastal cities—Cumaná and Carúpano in Sucre and Porlamar in Nueva Esparta. Corn, rice, tobacco, and sugarcane are cultivated primarily in the coastal region, for much of the area in the interior is unsuitable for agriculture. Venezuela's forest resources, consisting of wide varieties of lumber, divi-divi, mangrove bark, and tonka beans, are located in this zone, but these have remained relatively unexploited. Cattle raising is the principal pastoral activity.

Venezuela has staked much of its hope for building a modern industrial state on the future development of the Guayana region of Bolívar State. Plans are under way for establishing there an industrial complex built around rich mineral deposits of iron ore, gold, and diamonds, abundant hydroelectric potential, and cheap water transport on the Orinoco River to the Atlantic Ocean. A modern integrated steel plant is already in operation, construction of the Guri Dam and its hydroelectric facilities is under way, and plans are well advanced for the establishment of an aluminum reduction plant, ferromanganese and sponge iron plants, and metal fabricating facilities.

STATE OF ANZOATEGUI

The rapid growth of Puerto La Cruz, population 59,099, since World War II has been closely linked to petroleum exploration and production in eastern Venezuela. As petroleum activities accelerated in remote places in the interior, such as Anaco, El Tigre, Cantura, and Maturín, Puerto La Cruz increased by catering to growing demands. However, with the cutback in petroleum exploration since 1959, the city has grown less rapidly.

Puerto La Cruz

Puerto La Cruz ranks among the leading ports for export of petroleum. Petroleum piped in from the petroleum camps in the interior is shipped direct to market as crude or processed in one of the two refineries located in the city. Guanta, located just east of the city, serves as the port for dry cargo imported or exported from the region. Puerto La Cruz has also succeeded in attracting industries that produce food, beverages, lumber, and construction materials. At Pertigalete, situated 6 miles to the east of the city, is located the largest cement plant in South America. The city is well served by good roads extending to other population centers of the region. The airport at Barcelona, a short distance away, provides frequent and reliable air service to all parts of the country.

Barcelona

Just 9 miles to the southwest of Puerto La Cruz lies the city of Barcelona. Located on the Neveri River, a short distant inland from the Caribbean Sea, Barcelona serves as the capital of Anzoátegui. It was founded more than 300 years ago at an altitude of about 10 feet. Its annual mean temperature is 80° F., with a range of from 63° to 90.4°. The annual rainfall averages 25 inches.

Industries in Barcelona include sawmilling and the production of cement, furniture, footwear, leather goods, beverages, and foodstuffs. Commercial fishing is important to the area, and a new fish canning plant is being established. A few miles to the southeast of Barcelona, near Naricual, are low-grade bituminous coal deposits worked by the state-owned Corporacion Venezolana de Guayana. Coal from the mine is moved by rail to the port of Guanta whence it is shipped to the steel mill at San Tomé de Guayana in Bolívar State.

The airport at Barcelona, which also serves the city of Puerto La Cruz, handles international as well as domestic flights. Guanta serves as the port for shipments of dry cargo. A network of roads connects Barcelona to all principal centers including Cumaná and Carúpano in the east; Maturín, Barrancas, Caripito, El Tigre, and Ciudad Bolívar in the south; and to Charaguaramas in the southwest from which paved roads extend to Caracas and points west.

STATE OF SUCRE

Cumaná, the capital of Sucre State, is located near the site of the first permanent settlement on the Venezuelan mainland, established in 1520 and originally named Nuevo Toledo. The settlement was re-established in 1569 at its present location on both banks of the Manzanares River about 2 miles distant from the Gulf of Cariaco, which separates the mainland from the Peninsula of Araya. This tropical city boasts the largest urban population in eastern Venezuela. Its 69,630 inhabitants rank it eighth among cities in the entire country. The city is located at an elevation of 33 feet. The temperature range extends from a low of 63° F. to a high of 96° F., with a mean average of 70.7° F. Rainfall averages 14 inches per year.

Cumaná

The region surrounding Cumaná produces corn and sugar in the valley of the Manzanares River and coconuts on the southwestern coast of the Gulf of Cariaco. Cumaná handles much of this produce, which is supplied not only to the surrounding area in the State of Sucre but also to the oilfields of Quiriquire and Jusepín in northern Monagas.

Cumaná is a major center for distribution of salt that is produced at the western extremity of the Peninsula of Araya. It is also a major fishing port and the center of the Venezuelan fish-canning industry. Five fish canneries operating here, mainly on sardines. A modern cotton textile mill and a wheat flour mill are also in operation. Hides, furniture, coconut oil, carbonated beverages, cigars, and miscellaneous food products are also produced.

Through Puerto Sucre, Cumaná has trans-Atlantic shipping services as well as connections with other Venezuelan ports by coastwise vessels. Air service is maintained on daily scheduled flights to other Venezuelan cities. Highway connections are adequate to Puerto La Cruz and Barcelon in the southwest, Maturín and Caripito in the southeast, Carúpano on the northwest coast, and Guiria on the Paria Peninsula.

Carúpano

The seaport Carúpano, founded in 1647, is the largest city, population 37,266, on the Paria land mass and the second largest in the State.

Industries in Carúpano consist of carbonated beverage bottling, coffee roasting, tanning, fish canning, and the manufacture of soap, candles, coconut oil, tile, shoes and alparagatas, clothing, and bakery products. Carúpano rum is well known throughout Venezuela.

Carúpano is an important fishing port, and is served by deep-sea and coastwise shipping. It has long provided a convenient outlet for coffee and cacao.

Other Cities

Guiria, population 10,988, is a seaport located on the southeastern shore of the Gulf of Paria. The exportation of cacao, mainly to Trinidad, is of local significance. Rio Caribo, population 7,791, located 17 miles northeast of carúpano, is primarily a fishing center although processing of corn, cacao, coffee, spaghetti, livestock, and poultry is also carried on. Cumanacoa, population 7,250, is located in a fertile river valley 37 miles southeast of Cumaná. It has a modern sugar refinery operated by the Government-owned Corporation Fomento Venezolana, as well as other agricultural processing plants. Puerto de Hierro was of significance until 1963 as a port for transfer of iron ore from Orinoco River barges to oceangoing iron ore carriers. Since it is now possible for carriers to load directly at Palua, Puerto de Hierro is no longer used for this purpose. Gypsum deposits are mined a few miles to the east of Puerto Hierro, near Cristóbal Colón.

STATE OF NUEVA ESPARTA

Porlamar, population 21,274, is the principal city of the State of Nueva Esparta, which comprises the Island of Margarita, the lesser islands a short distance north of the Araya Peninsula, and the Island of Tortuga, which lies some 50 miles to the west. Porlamar is the commercial center of the island and the center of the pearl fisheries industry. The mean temperature is 80.6° F.

Porlamar

Commercial fishing and tourism are among the two principal activities. The island's long history, colonial buildings, colorful market, pearl fisheries, good beach and hotel attract many visitors from Caracas and other Venezuelan cities. Island products include pearls, canned sardines, other fish products, hides, goatskins, divi-divi, dates, fruits, beans, coconuts, tobacco, yucca, handicrafts such as hammocks, strawhats, and embroideries, pottery, and clay tiles.

A ferry runs regularly between the island and the mainland. Paved roads connect Porlamar with Pampatar, the island port of entry, and La Asunción, the capital. Domestic airlines provide service between the island and mainland.

Maturín, the capital of the State of Monagas, has a population of 54,250. It is situated in the north-central part of the State at an elevation of 245 feet. The average annual temperature is 79° F. and the rainfall, 45 inches.

STATE OF MONAGAS

Maturín is the commercial center of an agricultural area that supplies foodstuffs and services to the petroleum camps. Its industrial activities include coffee roasting, sawmilling, distilling, and carbonated beverage bottling. It produces dairy food, poultry, refined sugar, confectionery, combs and buttons of bone, furniture, shocs, and tobacco. The economy of Maturín and, indeed, of the entire State of Monagas depends on petroleum. With the decline of petroleum exploration since 1959, its economic activity has also declined.

Caripito, population 21,106, lies 39 miles northeast of Maturín, boasts a large petroleum refinery, and is the pipeline terminal and shipping port for the Jusepín and Quiriquire oilfields. The port, on the San Juan River, can accommodate oceangoing vessels with draft of 32 feet. Caripito is also a trading center.

STATE OF BOLIVAR

Ciudad Bolívar, population 64,133, is the capital and largest city of the State of Bolívar. It is located on the southern bank of the Orinoco River, 240 miles upstream from its mouth at an

altitude of 125 feet. The annual average temperature is 80° F., with an extreme variation of from 68° to 98°. The average annual rainfall is 72 inches and during the rainy season, from May to November, heavy rain storms prevail.

Ciudad Bolívar

The city was founded in 1764 under the name of San Tomas de la Nueva Guayana, but its location at a point on the Orinoco where the river width is reduced to less than one-half mile gave to it the popular name of Angostura, the Spanish word for narrows. The well-known Angostura Bitters originally were derived exclusively from this area. The present name was bestowed on the city in 1849 in recognition of the important part it played during the struggle for independence.

Ciudad Bolívar is the commercial center for the river system of the Orinoco and its tributaries, including the Territory of Amazonas, the States of Apure and Bolívar, and the southern parts of the States of Guárico, Anzoátegui, and Monagas. In recent years, it has lost some commercial influence to San Tomé de Guayana. Balata, chicle, tonka beans, gold and diamonds—found in the forest regions in the north—find their way into trade through this city. Cattle, hides, and skins are other products.

Several mills for processing corn, coffee, and rice; sawmills; distilleries; breweries; tanneries; and factories for the manufacture of soap, candles, bricks, cement blocks, shoes, and clothing are among the local industries.

Located as it is on the south bank of the Orinoco River, the city at present depends on a ferry which connects it to the town of Soledad on the north bank of the river and thus to the road system leading to the other principal cities of Venezuela. Work has begun on a bridge that will provide for the city access across the river in the near future. From Soledad a major highway extends northward through El Tigre and the other towns to Barcelona, Puerto La Cruz, and the northern coastal region. At El Tigre, there is a juncture with the highway leading to Caracas and with the network of routes to the north central Andean and western regions. Secondary roads leading northeast from the main highway provide connections to the Barancas-Maturín Highway and the northeastern region. Ciudad Bolívar is also connected by a paved road to San Tomé de Guayana, site of the new steel mill. A highway also runs south to Ciudad Piar and to Cerro Bolívar where the Orinoco Mining Company, a subsidiary of U.S. Steel, has its iron ore deposits. There the road connects with the San Tomé de Guayana–La Paragua Highway. Domestic airlines provide scheduled daily service between Ciudad Bolívar and other major Venezuelan cities.

San Tomé de Guayana

San Tomé de Guayana, a new city with a population of 50,000, incorporates the towns of Puerto Ordaz, San Felix, and Palua. It is located at the confluence of the Orinoco and Caroni Rivers, 62 miles east of Ciudad Bolívar. To join Puerto Ordaz, Palua, and San Felix, work is being completed on a Caroni River bridge that will connect Puerto Ordaz with San Félix and Palua. The population of the area comprising San Tomé de Guayana has increased from 4,000 in 1950 to 50,000 in 1962. This growth was due, during the first half of the 1950's, to the development of iron ore deposits at nearby El Pao by the Iron Mines Company of Venezuela, a subsidiary of Bethlehem Steel Corp., and at Cerro Bolívar by Orinoco Mining Company, a subsidiary of U.S. Steel Corp. In more recent years, growth has been due to the establishment here of Venezuela's only integrated steel plant. This is the most rapidly growing place in the Nation.

The Government plans to develop this area as a modern industrial complex built around the rich iron ore deposits—60 to 62 percent iron—of the region, the tremendous hydroelectric power potential of the Caroni River, and the availability of cheap transport by use of the Orinoco River which is navigable for oceangoing vessels from the Atlantic Ocean. Work has already begun on the first stage of the Guri hydroelectric dam project on the Caroní which, on completion of the first stage in 1966, will provide an installed capacity of 350,000 kilowatts (kw.) and ultimately of as much as 6,000,000 kw. An aluminum reduction, ferromanganese, and sponge iron plants as well as metal fabricating plants are also planned.

At Puerto Ordaz, the Orinoco Mining Co., a subsidiary of the U.S. Steel Corp., has its docks to which iron ore is brought by rail from the mine at Cerro Bolívar and either loaded on oceangoing ore carriers for export or on barges for delivery a short distance up the Orinoco to the docks of the steel mill. The iron ore deposits or Iron Mines of Venezuela, a subsidiary of the Bethlehem Steel Corp., are located on the east side of the Caroni River at El Pao, 25 miles south of San Félix. The iron ore moves by rail to the docks at San Félix where it is loaded on oceangoing ore carriers for export or sent to the steel plant by barge. The steel plant, which is operated by the Government-owned Corporacion de Fomento de Guayana, has a total capacity of 750,000 metric tons of ingot per year.

These basic industries have attracted many newcomers from all parts of Venezuela as well as many foreign technicians who work for the iron ore companies or provide consultant services to the steel mill. As a result, many new commercial establishments have been attracted to this city.

San Tomé de Guayana is connected by highway to Ciudad Bolívar in the west. It is also connected by highway to Ciudad Piar, a company town for employees of the mine at Cerro Bolívar of the Orinoco Mining Co. It is also located on the highway to La Paragua, a town on the Paragua River. Commercial airline service is not yet available. Commercial air travelers presently disembark at Ciudad Bolívar and proceed by automobile. However, there is an airfield which is used by private aircraft belonging to the mines, steel mill, and other companies.

Other Cities

Other cities in the State of Bolívar include, by population: Upata, 12,753; El Callao, 5,079; Ciudad Piar, 4,593; El Pao, 2,112; and El Dorado, 2,094. All are mining towns. Upata, El Callao, and El Dorado have a long and colorful history as gold mining centers, while Ciudad Piar and El Pao are iron ore company towns.

TERRITORY OF AMAZONAS

Puerto Ayacucho, population 5,462, the capital of the Federal Territory of Amazonas, is little more than a trading post for a

large but sparsely populated area. Its hinterland is rich in forest resources that have been largely unexploited because of their inaccessibility.

TERRITORY OF DELTA AMACURO

Tecupita, the capital of the Federal Territory of Delta Amacuro, has a population of 9,900. It is situated on the Caño Manamo, one of the principal channels of the Orinoco Delta, at an elevation of 50 feet. The mean average temperature is 82° F. and the rainfall, 59 inches.

Tucupita

Tucupita is the center of a fairly important petroleum-producing area and is a loading point for exports of petroleum and cacao. One petroleum refinery and several sawmills are located here.

Pedernales, located at the mouth of the Caño Manamo at sea level, is a petroleum port with river connection to Tucupito and to Ciudad Bolívar.

Much of the soil of the Delta Amacuro is fertile but frequently under water. Proposals for flood control and drainage to reclaim much fertile agricultural land here are being considered.

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TABLES

Table 1.—Gross Domestic Product, by Sectors, 1951, 1959, 1962, and 1966

Sector	Gross domestic roduet				Gross domestic roduct				Annual rate of growth		
	1951	1959	1962	1966	1951	1959	1962	1966	1951–59	1959–62	1962–66
	(millions of 1960 bolívares)				(percentage)				(percentage)		
Agriculture	1,147	1,625	2,029	2,760	8.1	6.2	7.1	7.1	4.5	7.7	8.0
Petroleum	3,333	5,482	6,253	7,315	23.5	20.9	22.0	18.9	6.4	4.5	4.0
Mining	47	447	383	561	.3	1.8	1.4	1.4	32.5	−5.0	10.0
Manufaeturing	1,437	4,000	4,655	7,720	10.2	15.3	16.4	20.0	13.7	5.2	13.5
Construction	1,137	1,881	1,450	2,523	8.0	7.2	5.1	6.5	6.5	−8.3	14.9
Electricity, gas, and water	77	313	440	853	.5	1.2	1.5	2.2	19.2	12.0	18.0
Transportation and communieation	743	1,148	1,152	1,530	5.3	4.4	4.1	3.9	5.6	.1	7.4
Commerce	2,088	4,214	4,332	5,337	14.8	16.1	15.2	13.7	9.2	.9	5.4
Housing	1,330	2,806	3,308	4,301	9.4	10.7	11.6	11.1	9.8	5.6	6.8
Other private serviees	1,013	1,869	2,055	2,629	7.1	7.1	7.2	6.8	7.9	1.6	6.4
Government	1,806	2,374	2,381	3,228	12.8	9.1	8.4	8.4	3.5	.1	7.9
Gross domestic produet, total	14,158	26,159	28,438	38,757	100.0	100.0	100.0	100.0	8.0	2.8	8.0
	(in 1960 bolívares)										
Gross domestic produet per capita	2,557	3,518	3,493	4,225					4.1	−.2	4.9

[1] One bolívar was equal to $0.2985 in 1960. Source: Oficina Central de Coordinacion y Planificacion, *Plan de la Nacion, 1963–1966*, Caracas, 1963.

Table 2.—Imports, by Major Categories, 1960-62 Actual and 1963-66 Projected

[Millions of 1960 bolívares [1] and as percent of total imports]

Sector	Actual			Projected				Average annual change, percent, 1963–66
	1960	1961	1962	1963	1964	1965	1966	
	(millions of 1960 bolívares [1])							
Agricultural products	210	209	188	144	137	130	131	−8.6
Capital goods	843	554	800	1,214	1,616	1,743	1,780	+22.1
Other manufactured goods	2,384	2,668	2,381	2,415	2,357	2,229	1,950	−4.9
Other prodnets	411	381	374	419	457	456	429	+3.5
Total	3,848	3,812	3,743	4,192	4,567	4,550	4,290	+3.5
	Percent of total imports							
Agricultural products	5.4	5.5	5.0	3.4	3.0	2.9	3.1	3.1
Capital goods	21.9	14.5	21.4	29.0	35.4	38.2	41.5	36.1
Other manufactured goods	62.0	70.0	63.6	57.6	51.6	48.9	45.4	50.8
Other produets	10.7	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] One bolívar equaled $0.2985 in 1960.

Source: Oficina Central de Coordinacion y Planificacion *Plan de La Nacion, 1963–1966*, Caracas, May 1963.

Table 3.—Value of Imports and Percentage Share of Principal Suppliers, Selected Years

[Millions of 1960 bolívares [1] and as percent of total imports]

Country	1938	1939	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956[1]	1957	1958	1959	1960	1961	1962
United States	56.4	61.1	74.1	77.9	73.4	68.1	67.9	69.0	67.4	61.6	58.9	59.1	63.5	57.2	52.9	51.7	54.0	52.5
United Kingdom	7.1	4.2	5.7	6.5	7.6	6.8	6.4	7.2	7.0	7.8	7.9	7.9	6.4	7.4	7.1	6.0	5.4	6.1
Canada	(2)	.9	1.9	2.0	2.5	3.6	3.9	4.5	3.8	4.0	4.0	3.3	2.4	3.1	3.3	3.7	4.1	4.5
Germany, Federal Republic of	12.0	9.5	(2)	.3	1.1	3.0	4.1	3.5	4.6	6.8	9.0	8.6	9.4	8.5	9.3	8.8	8.6	8.7
Italy	2.5	2.5	1.3	1.6	2.2	2.3	2.1	1.8	2.0	2.5	2.8	3.4	4.4	6.6	5.9	6.3	5.7	5.3
France	3.0	3.0	1.3	1.0	1.7	2.5	2.5	2.4	2.2	3.5	3.7	3.4	2.7	2.5	2.4	2.3	3.3	3.0
Belgium-Luxembourg	7.3	4.2	1.0	.9	1.8	1.2	1.9	1.6	1.8	1.7	1.8	2.8	1.9	2.3	3.1	2.9	2.2	2.5
Netherlands	5.2	3.9	.7	.7	.9	1.3	1.6	2.0	1.9	2.2	2.4	2.8	1.8	2.3	2.7	2.5	2.3	2.3
Japan	1.7	1.9	(2)	(2)	.3	1.9	.8	.9	1.0	1.3	1.9	1.6	1.6	1.7	2.7	3.6	3.7	4.1
Other countries	4.8	8.8	14.0	9.1	8.5	9.3	8.8	7.1	8.3	8.6	7.6	7.1	5.9	8.4	10.6	12.2	10.7	11.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total imports, millions of dollars	97	102	559	839	716	597	681	759	821	917	944	1,026	1,833	1,432	1,416	1,066	992	985

[1] Excluding air and parcel post imports. [2] Less than 0.05 percent.

Sources: Direccion General de Estadistica y Censos Nacionales, *Estadistica Mercantil y Maritima*, 1938 and 1939, and 1947–55; Direccion General de Estadistica, *Boletin Mensual de Estadistica*, 1956–58; and Direccion General de Estadistica y Censos Nacionales, *Boletin de Comercio Exterior*, 1959–62.

Table 4.—Total Imports and Imports from the United States, by Commodity Sections, 1959-62

[Thousands of dollars[1]]

Commodity section	1959			1960			1961			1962		
	Total	From United States		Total	From United States		Total	From United States		Total	From United States	
		Value	Percent of total		Value	Percent of total		Value	Percent of total		Value	Percent of total
Food products, including live animals	$169,843	$82,062	48.3	$156,220	$78,006	49.9	$137,853	$72,364	52.5	$113,040	$49,380	43.7
Beverages and tobacco	21,875	10,921	49.9	6,826	3,581	52.5	9,079	2,016	22.2	5,739	1,486	25.9
Crude materials, unfit for human consumption, except fuels	41,336	11,261	27.2	38,577	10,975	28.4	39,210	19,136	48.8	40,609	15,718	38.7
Mineral fuels, lubricants, and related materials	12,768	11,263	88.2	11,187	9,728	87.0	8,398	6,527	77.7	9,914	6,553	66.1
Animal and vegetable oils and fats	5,326	3,164	59.4	5,686	3,664	64.4	6,631	4,462	67.3	5,838	3,788	64.9
Chemicals	113,915	66,955	58.8	102,173	59,874	58.6	105,382	60,962	57.8	110,712	62,764	56.7
Machinery and transport equipment	534,179	335,289	62.8	381,976	228,902	59.9	323,975	214,704	66.3	345,694	226,183	65.4
Manufactured goods	503,681	224,974	44.7	353,494	150,222	42.5	339,902	152,663	44.9	339,575	146,691	43.2
Miscellaneous commodities and transactions	12,613	3,213	25.5	9,932	3,335	33.6	21,633	3,277	15.1	13,632	4,884	35.8
Imports, total	1,415,535	749,208[2]	52.9	1,066,070	550,646[2]	51.7	992,062	535,570[2]	54.0	984,755	517,488	52.5

[1] Converted to dollars at the rate of one bolívar equals $0.2985 (1959 and 1960) and at the average selling rates of $0.2770 (1961) and $0.2525 in 1962. [2] Details do not add to totals due to discrepancies in reported data.

Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1959–1962, Caracas.

Table 5.—Imports by Class of Importer, 1957-62

[Millions of bolívares [1] and percent of total]

Class	1957		1958		1959		1960		1961		1962 [2]	
	Bolívares	Percent	Bolívares	Percent	Bolívares	Percent	Bolívares	Percent	Bolívares	Percent	Bolívares	Percent
Commerce and industry	3,854.4	69.0	3,740.0	78.3	2,975.4	84.2	2,999.1	84.4	3,162.4	89.8	3,411.0	87.3
National Government	394.7	7.1	335.1	7.0	301.2	6.4	274.3	7.7	183.7	5.2	207.6	5.3
Petroleum companies	1,240.7	22.2	660.6	13.8	420.7	8.9	246.7	7.0	157.2	4.5	264.9	6.8
Mining companies	98.1	1.7	47.5	.9	23.0	.5	32.3	.9	18.6	.5	21.5	.6
Total	5,587.9	100.0	4,783.2	100.0	3,720.3	100.0	3,552.4	100.0	3,521.9	100.0	3,905.0	100.0

[1] The average selling rate for the holívar was 3.35 bolívares per $1 in 1957–60, 3.61 bolívares per $1 in 1961 and 3.96 bolívares per $1 in 1962. [2] Provisional.

Source: Banco Central de Venezuela, *Memoria*, 1957–1962, Caracas.

Table 6.—Population, by Federal Entities, According to Censuses of 1941, 1950, and 1961

Federal entities	1941 census	1950 census	1961 census	Percent of population classified as urban, 1961
Venezuela	3,951,371	5,091,543	7,555,799	62.5
Federal District	380,099	709,602	1,257,515	98.1
States				
Anzoátegui	156,046	242,308	382,002	65.3
Apure	84,560	05,489	121,077	24.7
Aragua	138,235	189,891	313,274	80.1
Barinas	62,959	70,944	130,271	24.7
Bolívar	112,522	131,631	217,543	62.4
Carabobo	191,442	242,923	381,636	74.0
Cojedes	49,769	52,111	72,652	33.9
Falcón	232,644	258,759	340,450	44.0
Guárico	135,080	164,523	244,066	47.0
Lara	332,975	368,169	489,140	56.0
Mérida	102,094	211,110	270,668	29.2
Miranda	227,604	276,273	492,349	70.4
Monagas	122,001	175,560	246,217	45.3
Nueva Esparta	69,105	75,899	89,402	44.3
Portuguesa	87,151	122,153	203,707	43.1
Sucre	291,452	334,107	402,202	40.2
Táchira	245,722	304,181	399,163	45.8
Trujillo	264,270	273,919	326,634	31.6
Yaracuy	127,030	132,436	175,291	50.5
Zulia	360,667	570,336	923,863	77.0
Federal territories				
Amazonas	47,128	45,702	31,757	46.5
Delta Amacuro	37,165	33,648	33,979	29.1
Federal dependencies	852	770	861	[1]

[1] Data are not available.

Source: Ministerio de Fomento, *IX Censo Nacional de Poblacion*, 1962, Caracas.

Table 7.—Urban Centers, by Number of Inhabitants, 1961

Centers, classed by number of inhabitants	Number of urban centers	Population in each class	Percent of total population in each class
Of 500,000 or more	1	1,101,147	14.6
Of 200,000 to 499,000	1	421,166	5.6
Of 100,000 to 199,000	3	498,645	6.6
Of 50,000 to 99,999	11	762,879	10.1
Of 20,000 to 49,999	24	765,386	10.2
Of 10,000 to 19,999	33	437,749	5.8
Of 5,000 to 9,999	51	352,600	4.7
Of 2,500 to 4,999	103	365,716	4.9
Total	227	4,705,288	62.5

Source: Ministerio de Fomento, *IX Censo Nacional de Poblacion* 1962, Caracas.

Table 8.—Annual Income of Families in Venezuela, 1962

Annual family income (in bolívares [1])	Number of families	Percent of total families	Persons per family	Total population
More than 30,000	42,000	3	3.5	147,000
14,000 to 30,000	98,000	7	4.0	392,000
7,200 to 14,000	280,000	20	4.5	1,260,000
Less than 7,200	980,000	70	6.5	6,370,000
Total	1,400,000	100	5.6	8,169,000

[1] The average selling rate for the bolívar in 1962 was 4.2 bolívares equals $1.

Source: Ebasco Services, Incorporated, *Considerations Affecting the Development of New Industrial Opportunities in Venezuela*, 1964, Caracas.

Table 9.—Median Wage Rates for 8-Hour Day in Selected Trades in Caracas, Third Quarter of 1963

Class of worker	Bolívares per 8-hour day	Dollars [1] per 8-hour day
Miller of corn or wheat	15.00	4.01
Master baker	25.00	6.68
Bottle washer	15.00	4.01
Delivery man	10.80	2.80
Electrician	23.10	6.18
Shoemaker	22.50	6.02
Linotype operator	25.00	6.68
Type setter	29.50	7.89
Mason assistant	15.00	4.01
Painter	20.80	5.56
Plumber	22.00	5.88
Construction worker, unclassified	12.65	3.38
Textile worker, unclassified	16.00	4.28
Dyer	22.50	6.02
Railroad switchman	22.50	6.02
Chauffeur	28.85	7.71
Truckers' assistant	14.45	3.86

[1] Converted at average selling rate of 3.74 bolívares equal US$1.

Source: Ministerio de Fomento, *Boletin Mensual de Estadistica*, Caracas, Oct., Nov., Dec. of 1962 (No. 13), pages 180 and 181.

Table 10.—Expenditures for Private Consumption per Capita, 1961

Type of expenditure	Amount		Percent of total
	In bolivares	In U.S. dollars	
Expenditure per capita, total	*1,808*	*540*	*100*
Foodstuffs	543	162	30.0
Bread and cereals	101	30	5.6
Meat	55	16	3.0
Fish	24	7	1.3
Milk, cheese, eggs	76	23	4.2
Fats and oils	30	9	1.7
Fruits and vegetables	184	55	10.2
Sugar and confectionaries	60	18	3.3
Coffee, tea, cacao, and other foods	12	4	.7
Beverages	92	28	5.1
Tobacco	53	16	2.9
Wearing apparel	149	44	8.2
Rent and water	269	80	14.9
Fuel and light	119	36	6.6

Table 10.—Expenditures for Private Consumption per Capita, 1961—Continued

Type of expenditure	Amount		Percent of total
	In bolívares	In U.S. dollars	
Furniture and domestic appliances	44	13	2.4
House maintenance	44	13	2.4
Personal and medical expenditures	153	46	8.5
Transportation and communication	161	48	8.9
Expenditures for private transport (own automobile)	41	12	2.3
Expenditures for transport services	115	34	6.3
Communications	5	2	.3
Spectacles and diversions	45	13	2.5
Spectacles	18	5	1.0
Books, newspapers, magazines	27	8	1.5
Other services	121	36	6.7
Education	16	5	.9

Source: Banco Central de Venezuela, *Informe Economico Correspondiente al Ano 1962*, Caracas, pages 510 and 512.

Table 11.—Gross Domestic Product and Percentage Increase, 1950-62

[Billions of bolívares at constant 1957 prices]

Year	Gross domestic product	Percentage increase
1950	12.7	—
1951	14.2	11.6
1952	15.2	7.3
1953	16.2	6.1
1954	17.8	9.6
1955	19.3	8.9
1956	21.4	10.5
1957	23.8	11.6
1958	24.2	11.6
1959	26.1	7.9
1960	26.4	1.3
1961	26.9	1.9
1962	28.6	6.3
1963 [1]	30.2	5.8

[1] Provisional.

Source: Banco Central de Venezuela, *Memoria, 1962*, Caracas, and, for 1963, U. S. Embassy.

Table 12.—Gross Domestic Product by Major Sectors, Selected Years

[Millions of bolívares [1] at 1957 market prices]

Sector	1950	1955	1957	1958	1959	1960	1961	1962	1963 [2]
Agriculture, livestock, and fishing	1,014	1,352	1,507	1,576	1,642	1,807	1,844	1,979	2,077
Mining	20	221	383	379	420	470	343	316	278
Iron ore	5	187	334	334	377	432	318	290	
Other	15	34	49	45	43	38	25	26	
Petroleum	3,920	5,777	7,472	7,073	7,560	7,796	8,000	8,773	8,905
Crude	3,797	5,514	7,135	6,708	7,154	7,384	7,554	8,279	
Refined	123	263	337	365	406	412	447	494	
Manufactures	1,150	2,004	2,429	2,607	3,012	2,898	3,007	3,246	3,528
Industrial	783	1,663	2,105	2,289	2,703	2,594	2,700	2,935	
Artisan	367	341	324	318	309	305	307	311	
Construction	827	1,363	1,580	1,618	1,707	1,444	1,097	1,156	1,369
Water and electricity	69	159	238	280	336	367	417	487	542
Commerce	1,726	2,862	3,933	3,809	4,003	3,839	3,927	4,045	4,506
Transportation and communication	699	951	940	1,002	1,090	1,041	1,032	1,060	1,186
Rent and interest	1,161	1,752	2,141	2,398	2,664	2,875	3,007	3,145	3,101
Services, including Government	2,140	2,884	3,224	3,427	3,632	3,898	4,205	4,378	4,750
Gross domestic product	12,727	19,325	23,848	24,164	26,065	26,433	26,881	28,585	30,243
	Percentage distribution of gross domestic product								
Agriculture, livestock, and fishing	8.0	7.0	6.3	6.5	6.3	6.8	6.9	6.9	6.9
Mining	.1	1.1	1.6	1.6	1.6	1.8	1.3	1.1	9
Iron ore		1.0	1.4	1.4	1.4	1.6	1.2	1.0	
Other	.1	.1	.2	.2	.2	.2	.1	.1	
Petroleum	30.8	29.9	31.3	29.3	29.0	29.5	30.0	30.7	29.4
Crude	29.8	28.5	29.9	27.8	27.4	27.9	28.1	29.0	
Refined	1.0	1.3	1.4	1.5	1.6	1.6	1.7	1.7	
Manufactures	9.0	10.5	10.2	10.8	11.5	11.0	11.2	11.3	11.7
Industrial	6.1	8.6	8.8	9.5	10.4	9.8	10.0	10.3	
Artisan	2.9	1.8	1.4	1.3	1.2	1.1	1.1	1.0	
Construction	6.5	7.0	6.6	6.7	6.5	5.5	4.1	4.0	4.5
Water and electricity	.5	.8	1.0	1.2	1.3	1.4	1.5	1.7	1.8
Commerce	13.7	14.9	16.6	15.7	15.5	14.4	14.5	14.1	14.9
Transportation and communication	5.5	4.9	3.9	4.1	4.2	4.0	3.8	3.7	3.9
Rent and interest	9.1	9.1	9.0	9.9	10.2	10.9	11.2	11.0	10.2
Services, including Government	16.8	14.9	13.5	14.2	13.9	14.7	15.6	15.3	15.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] One bolívar was equal to US$0.29 in 1957.

[2] Provisional.

Source: Banco Central de Venezuela, *Memoria*, various issues and, for 1963, U. S. Embassy sources.

Table 13.—Population, Foreign Trade, and Per Capita Foreign Trade of Venezuela and Other Latin American Countries, 1962

Country	Population (thousands)	Total imports, c.i.f. (in millions US dollars)	Total exports, f.o.b. (in millions US dollars)	Per capita imports (US dollars)	Per capita exports (US dollars)
Argentina	21,418	1,357	1,210	63.36	50.49
Bolivia	3,549	—	58	—	16.34
Brazil	75,271	1,475	1,214	19.59	16.13
Chile	8,001	518	532	64.74	66.49
Colombia	14,769	540	464	36.56	31.42
Costa Rica	1,274	114	85	89.48	66.72
Cuba	7,068	—	—	—	—
Dominican Republic	3,220	123	172	38.19	53.42
Ecuador	4,596	97	140	21.10	30.46
El Salvador	2,810	125	136	44.48	48.39
Guatemala	4,017	133	109	33.11	27.13
Honduras	1,950	80	79	41.03	40.51
Mexico	37,233	1,143	937	30.70	25.16
Nicaragua	1,578	98	80	62.10	50.70
Panama	1,139	145	46	127.30	40.39
Peru [1]	10,965	538	538	49.06	49.06
Uruguay	2,914	230	153	78.93	52.50
Venezuela	7,872	1,061	[2]2,585	134.78	328.38

[1] Does not include population of forest Indians.
[2] Preliminary. Corresponding data appearing elsewhere in this report have been revised, accounting for discrepancy between this figure and more recent data appearing elsewhere in this report.

Source: Based on data on United Nation, *Monthly Bulletin of Statistics*, October 1963.

Table 15.—Exports and Imports and Trade Balance 1951–62

[Thousands of dollars [1]]

Year	Exports, f.o.b. port of export	Imports, f.o.b. port of shipment	Trade balance (+ or −)
1951	1,353,298	681,144	+672,154
1952	1,450,244	758,894	+691,350
1953	1,445,251	820,559	+624,692
1954	1,689,805	916,935	+772,870
1955	1,873,892	944,883	+929,009
1956	2,118,423	1,141,607	+976,816
1957	2,365,471	1,832,885	+532,586
1958	2,304,523	1,432,241	+872,282
1959	2,309,495	1,415,535	+953,960
1960	2,537,314	1,066,070	+1,471,244
1961	2,415,596	[1]992,062	+1,423,534
1962	2,593,624	[1]984,955	+1,608,969

[1] Converted at rate of $1 equal to 3.35 bolívares, except for imports in 1961 and 1962. Due to dual exchange rates applicable to imports in these years, an average rate of $1 equals 3.61 bolivares in 1901 and 3.96 bolivares in 1962 was applied.

Source: Based on data of Ministerio de Fomento, *Boletin de Comercio Exterior*, Caracas No. 28, page 7.

Table 14.—Total Venezuelan Exports, by Principal Products, 1955–62

[Thousands of bolívares [1]]

Year	Crude petroleum		Petroleum derivatives		Petroleum, total		Iron ore		Coffee		Cacao and derivatives		Diamonds		Cement	
	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total	Amount in bolivares	Percent of total
1955	4,760,350	75.9	1,160,405	18.6	5,900,755	94.5	162,720	2.6	123,897	2.0	34,384	0.6	11,049	0.2	34	([2])
1956	5,374,902	76.1	1,272,030	18.0	6,646,932	94.1	247,613	3.5	103,265	1.5	37,561	.5	7,787	.1	287	([2])
1957	5,931,308	75.2	1,357,779	17.2	7,289,087	92.4	382,416	4.8	115,549	1.5	33,570	.6	7,754	.1	403	([2])
1958	5,506,632	71.7	1,585,266	20.7	7,091,898	92.6	404,204	5.3	120,541	1.6	38,748	.5	5,701	.1	306	([2])
1959	5,521,877	70.4	1,760,431	22.4	7,282,508	92.8	425,712	5.4	52,265	1.0	29,694	.4	8,133	.1	1,868	([2])
1960	5,488,896	68.0	1,904,989	23.6	7,393,885	91.6	554,309	6.9	73,127	.9	31,004	.4	4,903	.1	2,055	([2])
1961	5,424,169	67.6	2,016,965	25.2	7,441,134	92.8	442,472	5.5	75,432	.9	26,374	.3	10,589	.1	6,172	.1
1962	5,840,572	67.2	2,217,406	25.5	8,057,978	92.7	401,045	4.7	62,603	.7	32,970	.4	16,178	.2	9,600	.1
1955	793	([2])	514	([2])	281	([2])	350	([2])	514	([2])	0	([2])	8,304	0.1	6,243,595	100.0
1956	19	([2])	392	([2])	294	([2])	527	([2])	2,035	([2])	11,405	.2	7,146	.1	7,066,263	100.0
1957	1,511	([2])	343	([2])	283	([2])	32	([2])	3,129	([2])	53,753	.7	5,709	.1	7,693,564	100.0
1958	61	([2])	379	([2])	345	([2])	33	([2])	3,362	([2])	7,131	.1	5,435	([2])	7,676,172	100.0
1959	257	([2])	430	([2])	335	([2])	38	([2])	2,217	([2])	17	([2])	9,821	.2	7,843,105	100.0
1960	69	([2])	359	([2])	375	([2])	585	([2])	1,839	([2])	0	([2])	5,713	.1	6,069,547	100.0
1961	4,566	.1	2,322	([2])	567	([2])	695	([2])	190	([2])	0	([2])	7,281	.1	8,021,166	100.0
1962	64	([2])	17,672	.2	956	([2])	735	([2])	—	—	5	([2])	88,833	1.0	8,688,639	100.0

[1] One bolívar equal to $0.2985 in 1955–1960, $0.277 in 1961, and $0.252 in 1962.

[2] Less than 0.05 percent. Source: For years 1955 to 1961, Ministerio de Relaciones Esteriores, *Exportaciones Venezolanas, 1955–1961*, January 1963, Caracas. For 1962 data, Ministerio de Fomento, *Boletin de Comercio Exterior*, December 1962.

Table 16.—United States Exports to Venezuela, by Commodity Sections and Principal Commodity Groups, 1959–63

Nomenclature and description	1959	1960	1961	1962 [1]	1963 [2]
Exports, including reexports, total	$738,851,000	$551,218,000	$515,662,000	$470,613,000	$507,091,000
Reexports	2,219,000	2,803,000	2,353	4,818,000	2,777,000
Domestic exports, total	736,631,665	548,414,828	513,308,888	465,797,057	504,314,000
Section 0—Food and live animals	85,492,692	86,167,144	78,437,486	56,349,393	55,385,000
001 Live animals, n.e.s.	2,357,191	2,112,268	1,082,128	1,142,273	2,935,000
021 Milk and cream	12,277,866	13,156,502	8,284,192	4,949,261	4,249,000
025 Eggs	5,708,132	7,955,246	6,366,387	3,807,572	3,527,000
041 Wbeat, unmilled	13,268,455	15,261,036	19,090,930	11,900,330	13,469,000
046 Wbeat, flour	2,072,453	376,915	140,696	303,149	389,319
047 Cereal, prepared	11,360,957	11,895,093	11,494,421	8,864,919	6,411,000
051 Fruit, fresb, and nuts	5,323,511	5,691,917	4,008,401	4,050,887	4,167,000
053 Fruit, preserved, and fruit preparations	6,142,987	4,900,548	4,461,935	2,934,986	2,687,000
054 Vegetables, fresb, frozen, or simply preserved	4,234,657	3,493,752	4,880,985	4,440,664	5,607,000
055 Vegetables, preserved or prepared	2,454,799	2,066,160	1,624,551	1,158,935	1,216,855
062 Sugar, confectionery, and otber sugar preparations	2,836,650	3,991,634	3,244,324	3,156,928	2,366,000
Section 1—Beverages and tobacco	11,190,463	3,737,974	1,846,037	1,339,479	223,000
121 Tobacco, unmanufactured	332,230	1,486,176	682,522	760,722	142,000
122 Tobacco, manufactured	10,714,900	2,205,303	1,079,478	549,001	—
Section 2—Crude materials, inedible, except fuels	10,752,366	10,522,996	16,735,304	16,363,611	17,733,000
221 Oilseeds, oil nuts, and oil kernels	696,655	744,271	1,489,167	1,600,179	1,481,000
231 Rubber, crude, including synthetic and reclaimed	2,613,162	3,036,842	3,449,063	3,704,900	3,097,000
251 Paper pulp and waste paper	1,997,477	2,191,762	4,021,806	4,606,754	5,718,000
266 Syntbetic and regenerated (artificials) fibers	267,918	685,121	703,569	1,050,784	555,000
Section 3—Mineral fuels, lubricants, and related materials	8,524,322	6,653,067	4,617,037	3,790,624	2,903,000
332 Petroleum products	8,505,919	6,634,866	4,463,914	3,766,568	2,385,000
Section 4—Animal and vegetable oils and fats	2,080,240	2,497,663	4,563,330	3,933,126	4,281,000
431 Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	1,023,559	1,708,566	2,771,191	2,636,127	2,902,000
Section 5—Cbemicals	60,448,969	52,040,213	54,786,335	52,186,742	47,624,000
512 Organic cbemicals	1,649,441	1,827,556	2,518,725	2,886,740	2,687,000
513 Inorganic chemicals: elements, oxides, and halogen salts	2,674,502	2,251,683	2,529,404	2,260,810	1,706,000
514 Other inorganic chemicals	2,326,394	2,049,032	2,588,571	2,853,685	2,209,000
533 Pigments, paints, varnishes, and related materials	2,605,352	1,817,658	1,998,190	1,959,444	1,589,000
541 Medicinal and pharmaceutical products	20,092,397	17,564,865	17,670,167	12,705,293	10,552,000
551 Essential oils, perfume, and flavor materials	2,873,424	2,715,702	2,905,517	3,045,061	3,050,014
554 Soaps, cleansing, and polishing preparations	2,171,919	2,061,208	1,984,914	2,093,863	1,741,000
561 Fertilizers, manufactured	1,014,728	1,070,721	808,515	1,083,539	678,007
581 Plastic materials, regenerated cellulose, and artificial resins	6,718,787	4,454,309	5,434,107	5,451,173	5,662,000
Section 6—Manufactured goods classified chiefly by material	105,045,075	100,980,443	99,391,708	94,022,083	105,271,000
629 Articles of rubber, n.e.s.	5,393,216	4,252,818	3,906,672	4,292,079	3,851,731
641 Paper and paper board	15,413,908	13,475,007	15,364,571	14,385,743	11,713,000
642 Articles of paper pulp, of paper, or of paperboard	7,711,316	4,406,043	2,592,632	2,764,343	2,820,269
651 Textile yarn and thread	7,540,179	6,615,839	8,065,693	8,315.232	6,825,000
652 Cotton fabrics, woven (not including narrow or special fabrics)	6,673,393	4,287,602	5,556,132	3,740,421	2,975,000
653 Textile fabrics, woven (not including narrow or special fabrics), other than cotton fabrics	3,426,422	2,253,411	3,586,656	1,956,749	2,954,000
655 Special textile fabrics and related products	2,598,000	1,809,040	2,159,458	1,739,155	1,776,067
656 Made-up articles, wbolly or chiefly of textile materials, n.e.s.	4,058,019	2,652,923	3,917,918	2,426,831	2,370,000
663 Mineral manufactures, n.e.s.	2,450,620	2,176,859	2,187,648	2,534,201	3,449,441
665 Glassware	5,572,576	4,541,496	3,696,104	3,729,911	3,335,516
672–679 Iron and steel mill products	37,019,342	22,542,889	19,360,641	20,232,601	31,172,000
682 Copper	1,767,618	2,131,416	3,036,271	2,203,977	2,348,000
684 Aluminum	1,465,450	1,124,713	1,123,845	1,318,609	1,345,000
691 Finished structural parts and structures, n.e.s.	6,345,314	2,493,676	1,786,289	1,110,052	3,392,956
692 Metal containers for storage and transport	6,280,998	3,959,253	3,269,380	2,940,288	2,663,581
694 Tools for use in tbe hand or in machines	6,718,810	6,209,974	4,073,039	4,339,726	5,005,000
697 Household equipment of base metals	9,115,937	6,677,031	5,479,805	4,900,432	3,562,000
698 Manufactures of metal, n.e.s.	9,940,505	5,254,891	4,481,466	5,172,270	5,412,357
Section 7—Machinery and transport equipment	343,024,596	240,080,369	211,274,819	199,871,380	230,803,000
711 Power generating machinery, other than electric	21,235,669	11,528,782	12,735,725	12,699,103	13,955,000
712 Agricultural machinery and implements	18,915,124	11,642,472	9,676,734	10,865,937	12,808,000
714 Office machines	3,345,735	2,438,653	5,644,590	2,221,251	2,105,000
715 Metalworking machinery	9,048,639	1,932,952	2,779,524	4,589,438	4,161,000
717 Textile and leather machinery	4,862,706	4,778,692	4,156,519	5,661,021	5,447,000

Table 16.—United States Exports to Venezuela, by Commodity Sections and Principal Commodity Groups, 1959–63—Continued

Nomenclature and description	1959	1960	1961	1962[1]	1963[2]
718 Machines for special industries	27,148,687	19,461,355	14,469,570	12,604,814	19,356,000
719 Machinery and appliances (other than electrical) and machine parts, n.e.s.	74,528,840	56,335,304	45,169,824	48,713,300	60,375,000
722 Electric power machinery and switchgear	22,256,025	14,535,675	8,157,282	8,634,377	6,712,000
723 Equipment for distributing electricity	3,892,309	2,345,501	2,393,577	2,170,172	1,212,704
724 Telecommunications apparatus	9,306,277	7,074,828	9,953,476	8,391,646	8,663,000
725 Domestic electrical equipment	17,955,015	13,257,906	12,694,921	12,122,877	9,060,000
729 Other electrical machinery and apparatus	14,156,875	11,426,574	12,854,197	12,549,051	10,873,000
732 Road motor vehicles	101,119,453	61,325,755	62,925,819	55,158,924	66,575,000
734 Aircraft	1,890,662	1,762,341	5,453,375	2,067,843	7,140,000
Section 8—Miscellaneous manufactured articles	56,059,896	38,977,679	35,730,336	31,516,451	31,171,000
812 Sanitary, plumbing, heating and lighting fixtures and fittings	6,139,149	3,778,096	2,581,648	2,669,966	3,022,337
821 Furniture	3,895,321	3,214,593	1,262,369	1,065,762	1,125,559
841 Clothing, (except fur clothing)	5,187,477	3,226,495	3,665,041	1,957,675	1,571,397
861 Scientific, medical, optical, measuring, and controlling instruments and apparatus	8,100,126	5,164,183	5,085,161	4,527,359	5,016,000
862 Photographic and cinematographic supplies	2,622,296	2,195,121	2,264,303	2,142,275	2,167,000
891 Musical instruments, sound recorders, and reproducers, and parts and accessories therefor	6,651,647	3,282,585	2,692,348	2,469,094	2,415,000
892 Printed matter	2,966,458	2,633,077	2,340,087	1,957,299	2,051,000
893 Articles of artifical plastic materials, n.e.s.	3,683,276	2,702,189	1,625,382	1,527,672	1,652,295
894 Perambulators, toys, games, and sporting goods	5,149,760	4,244,534	4,319,100	3,834,958	3,006,594
895 Office and stationery supplies, n.e.s.	3,334,571	2,786,860	2,760,617	2,544,658	2,104,698
899 Manufactured articles, n.e.s.	5,717,399	4,378,969	4,933,157	5,053,726	5,363,193
Section 9—Commodities and transactions not classified according to kind	9,013,046	6,748,275	5,926,531	6,424,168	8,920,000
Special shipments	9,013,046	6,748,275	5,926,531	6,424,168	8,920,000

Source: Basic data of the U.S. Bureau of the Census.

[1] Due to statistical inconsistencies, these data are not comparable with Venezuelan import statistics. [2] Preliminary.

Table 17.—Imports of Machinery and Transport Equipment, Total and from the United States, by Commodity Groups, 1962

Commodity group number and commodity group	Thousands of dollars[1]	
	Imports, total	Imports from United States
711 Power generating machinery, other than electric	19,817	15,417
712 Agricultural machinery and implements	5,919	3,440
713 Tractors, other than steam tractors	12,464	7,939
714 Office machines	6,516	2,464
715 Metalworking machines	12,136	6,528
716 Mining, building, and industrial machines	112,495	75,621
721 Electrical machinery, apparatus, and appliances	79,839	44,259
731 Railway and tramway locomotives and rolling stock	937	740
732 Road motor vehicles	84,114	61,127
733 Road vehicles, other than motor vehicles	2,678	707
734 Aircraft	6,812	6,327
735 Ships and boats	1,967	1,615
Total	345,694	226,183

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.

Source: Ministerio de Fomento, *Boletín de Comercio Exterior*, 1962, Caracas.

Table 18.—Imports of Manufactured Goods, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
611 Leather	4,276	155
612 Manufactured of leather and artificial or reconstituted leather	781	301
613 For skins, dressed whether or not dyed	489	21
621 Unfinished rubber materials	1,866	1,138
629 Rubber manufactures, n.e.s.	5,409	3,179
631 Veneers, plywood, boards artificial or reconstituted wood and other wood, worked	837	269
632 Wood manufactures	1,221	557
633 Cork manufactures	347	77
641 Paper and paperboard	21,953	13,262
642 Articles made of paper pulp, paper or paperboard	3,885	3,125
651 Yarns and threads of textile fibers	18,118	5,601
652 Cotton fabrics of standard type (not including narrow and special fabrics)	9,728	2,415
653 Textile fabrics of standard type (not including narrow and special fabrics) other than cotton fabrics	10,642	4,648
654 Tulle, lace, embroidery ribbons, trimmings, and other small wares	3,500	1,707
655 Special fabrics of textile fibers and related products	10,490	5,849
656 Made-up articles wholly or chiefly of textile materials (other than clothing and footwear)	2,109	894
657 Floor coverings and tapestries	610	216
661 Lime, cement, and fabricated building materials, except glass and clay materials	674	290

Table 18.—Imports of Manufactured Goods, Total and From the United States, by Commodity Groups, 1962—Continued

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
662 Clay building materials and refractory building materials	1,004	696
663 Nonmetallic mineral manufactures, except of glass and pottery	3,849	2,338
664 Glass	3,395	1,022
665 Glassware	7,216	4,360
666 Pottery	2,274	159
671 Silver and platinum group metals	174	37
672 Pearl and precious and semiprecious stones, worked or unworked	51	2
673 Jewelry and goldsmiths', silversmiths' and platinumsmiths' wares	869	180
681 Iron and steel	73,469	21,249
682 Copper	4,869	2,885
683 Nickel	123	106
684 Aluminum	6,363	2,518
685 Lead	523	188
686 Zinc	276	95
687 Tin	358	60
689 Other nonferrous base metals used in metallurgy	44	27
691 Arms and ammunition	2,635	2,038
699 Metal articles	47,493	21,453
811 Prefabricated buildings	74	74
812 Sanitary, plumbing heating and lighting fixtures and fittings	5,071	2,555
821 Furniture and fixtures	1,094	815
831 Travel goods, handbags and similar articles	1,572	425
841 Clothing and clothing accessories, except for clothing	7,591	2,696
842 Fur clothing (except hats, caps, and gloves) and other fur articles	65	40
851 Footwear	517	27
861 Scientific, medical, optical, measuring and checking instruments and apparatus	14,055	7,358
862 Photographic and cinematographic supplies	4,538	2,637
863 Cinematographic films, exposed, whether or not developed	1,675	953
864 Watches and clocks	4,472	247
891 Musical instruments, gramophones, gramophone records, and sound recording apparatus	4,654	2,455
892 Printed matter	6,754	4,295
899 Manufactured articles, n.e.s.	35,221	18,997
Total	339,573	146,691

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.

Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, December 1962, Caracas.

Table 19.—Imports of Food and Live Animals, Total and From the United States, by Commodity Group, 1962

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
001 Live animals	1,330	1,127
011 Meat, fresh, chilled, or frozen	5,600	1,842
012 Meat, dried, salted, smoked, or cooked, not in airtight containers	424	192
013 Meat in airtight containers, n.e.s., and meat preparations, whether or not in airtight containers	1,559	521

Table 19.—Imports of Food and Live Animals, Total and From the United States, by Commodity Groups, 1962—Continued

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
021 Milk and cream, fresh	163	63
022 Milk and cream, evaporated, condensed, or dried	27,220	3,020
023 Butter	18	13
024 Cheese and curd	5,970	882
025 Eggs	3,517	3,412
026 Natural boney	2	—
029 Dairy products, n.e.s.	5,006	3,298
031 Fish, fresh and simply preserved	956	125
032 Fish, in airtight containers, n.e.s., and fisb preparations, whether or not in airtigbt containers, including crustacea and mollusks	1,680	223
041 Wheat, including spelt and meslin, unmilled	19,261	9,063
042 Rice	523	175
043 Barley, unmilled	49	(2)
044 Maize (corn), unmilled	1,176	1,176
045 Cereals, unmilled, other than wheat, rice, harley and maize	828	255
046 Meal and flour of wbeat and spelt, including meslin	173	162
047 Cereals, milled, except wheat flour	131	14
048 Cereal preparations, including preparation of flour and starch of fruits and vegetables	10,027	6,028
051 Fruits and nuts, fresh, not including oil nuts	7,892	4,963
052 Dried fruits, including artificially debydrated	1,171	1,120
053 Fruit, preserved and fruit preparations	4,080	2,656
054 Vegetables, fresb and dry, roots and tubers, not including artificially debydrated	5,924	4,093
055 Vegetables, preserved and vegetable preparations	1,929	1,196
061 Sugar	113	88
062 Sugar confectionery and other sugar preparations	8	3
071 Coffee	4	1
072 Cocoa	3	3
073 Chocolate and chocolate preparations, including chocolate confectionery	12	1
074 Tea and mate	272	138
075 Spices	965	208
081 Feeding stuff for animals, not including unmilled cereals	3,345	1,941
091 Margarine and shortening	290	286
099 Food preparations, n.e.s.	1,321	1,091
Total	113,040	49,380

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.

[2] Less thán $500.

Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962, Caracas.

Table 20.—Imports of Chemicals, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
511 Inorganic chemicals	8,585	5,382
512 Organic chemicals	14,287	7,928
521 Mineral tar and crude chemical products derived from coal, petroleum, and natural gas	480	195
531 Coal tar dyestuffs and natural indigo	2,624	537
532 Dyeing and tanning extracts and synthetic tanning materials	2,126	488

Table 20.—Imports of Chemicals, Total and From the United States, by Commodity Groups, 1962—Continued

[Thousands of dollars[1]]

	Commodity group number and commodity group	Imports, total	Imports from United States
533	Pigments, paints, varnishes, and related products	4,493	2,564
541	Medicinal and pharmaceutical products	31,724	17,809
551	Essential oils, perfume, and flavoring products	6,927	5,772
552	Perfumery products, cosmetics, soaps, and cleansing and polishing preparations	2,334	1,400
561	Manufactured fertilizers	4,010	1,335
591	Explosives	1,981	1,632
599	Miscellaneous chemical materials and products	31,140	17,723
	Total	110,712	62,764

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.
Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962, Caracas.

Table 21.—Imports of Crude Materials, Inedible, Except Fuels, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

	Commodity group number and commodity group	Imports, total	Imports from United States
211	Hides, skins, except fur skins, undressed	983	787
212	Fur skins, undressed	4	(2)
221	Oilseeds, oil nuts, and oil kernels, including crushed or ground, edible or inedible	12,921	2,190
231	Crude rubber, including synthetic and reclaimed	7,316	3,681
241	Fuel wood and charcoal	59	11
242	Wood in the round or roughly squared	1,008	40
243	Wood, shaped or simply worked	565	543
244	Cork, unworked and waste	288	(2)
251	Paper pulp and waste paper	6,402	3,170
261	Silk, not manufactured into yarn, thread, or fabrics	1	1
262	Wool and other animal hair, not manufactured into yarn, thread, or fabrics	23	5
263	Cotton, not manufactured into yarn, thread, or fabrics	1,812	667
264	Jute, not manufactured into yarn, thread, or fabrics	(2)	(2)
265	Vegetable fibers, other than cotton and jute, not manufactured into yarn, thread, or fabrics	59	(2)
266	Manmade fibers, not manufactured into yarn, thread, or fabrics	2,750	981
267	Waste materials from textile fabrics, including rags	140	77
271	Fertilizers, crude	30	5
272	Crude nonmetallic minerals, excluding coal, petroleum, fertilizers, and precious stones	3,206	1,822
281	Iron ore and concentrates	(2)	(2)
282	Iron and steel scrap	376	376
283	Nonferrous base metal ores and concentrates	99	41
284	Nonferrous base metal scrap	(2)	(2)
285	Silver and platinum ores	1	(2)
291	Crude animal materials, inedible, n.e.s.	201	43
292	Crude vegetable materials, inedible, n.e.s.	2,364	1,278
	Total	40,609	15,718

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.
[2] Less than $500.
Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962, Caracas.

Table 22.—Imports of Mineral Fuels, Lubricants, and Related Materials, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

	Commodity group number and commodity group	Imports, total	Imports from United States
311	Coal, coke, and briquettes	2,017	24
312	Petroleum, crude and partly refined	12	12
313	Petroleum products	7,861	6,511
314	Natural and artificial gas	25	6
315	Electric energy	(2)	(2)
	Total	9,914	6,553

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.
[2] Less than $500.00.
Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962.

Table 23.—Imports of Animal and Vegetable Oils and Fats, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

	Commodity group number and commodity group	Imports, total	Imports from United States
411	Animal oils and fats	1,158	1,122
412	Vegetable oils	3,661	1,990
413	Processed oils and fats, and waxes of animal or vegetable origin	1,020	376
	Total	5,838	3,788

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.
Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962.

Table 24.—Imports of Beverages and Tobacco, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

	Commodity group number and commodity group	Imports, total	Imports from United States
111	Non-alcoholic beverages, n.e.s.	76	2
112	Alcoholic beverages	3,915	45
121	Tobacco, unmanufactured	1,706	1,426
122	Tobacco manufactures	42	12
	Total	5,739	1,486

[1] Converted at average selling rate of 3.96 bolívares equal $1.
Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962, Caracas.

Table 25.—Imports of Miscellaneous Commodities and Execution of Transactions, Total and From the United States, by Commodity Groups, 1962

[Thousands of dollars[1]]

Commodity group number and commodity group	Imports, total	Imports from United States
921 Live animals (except fish and microbial cultures) not for food	285	55
931 Returned goods and special transactions	6,015	3,935
999 Gold, silver, coins, banknotes and similar articles	7,332	894
Total	13,632	4,884

[1] Converted at average selling rate for 1962 of 3.96 bolívares equal $1.

Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, 1962, Caracas.

Table 26.—Population of Venezuela by Principal Zones and Federal Entities, 1950 and 1961

Zone	1950		1961		Increase, percent
	Number	Percent of total	Number	Percent of total	
Western Zone	1,618,305	31.8	2,260,778	29.9	39.7
Zulia	570,336	11.2	923,863	12.2	62.0
Falcón	258,759	5.1	340,450	4.5	31.6
Mérida	211,110	4.1	270,668	3.6	28.2
Táchira	304,181	5.9	399,163	5.3	31.2
Trujillo	273,919	5.4	326,634	4.3	19.2
Central Zone	2,433,514	47.8	3,890,878	51.5	59.9
Federal District	709,602	13.9	1,257,515	16.6	77.2
Miranda	276,273	5.4	492,349	6.5	78.2
Aragua	189,891	3.7	313,274	4.1	65.0
Carabobo	242,923	4.8	381,636	5.0	57.1
Yaracuy	132,436	2.6	175,291	2.3	32.4
Lara	368,169	7.2	489,140	6.5	32.9
Portuguessa	122,153	2.4	203,707	2.7	66.8
Cojedes	52,111	1.0	72,652	1.0	39.4
Barinas	79,944	1.6	139,271	1.8	74.2
Apure	95,489	1.9	121,077	1.6	26.8
Guárice	164,523	3.2	244,966	3.2	48.9
Eastern Zone	1,038,925	20.4	1,403,082	18.6	35.2
Anzoátegui	242,378	4.8	382,002	5.0	57.6
Nueva Esparta	75,899	1.5	89,492	1.2	17.9
Sucre	334,107	6.6	402,292	5.3	20.4
Monagas	175,560	3.4	246,217	3.2	40.2
Bolívar	131,631	2.6	217,543	2.9	65.3
Amazonas	45,702	.9	31,757	.4	−6.9
Delta Amacuro	33,648	.7	33,979	.4	.9
Total	5,091,543	100.0	7,555,799	100.0	48.3

Source: Ministerio de Fomento, *IX Censo Nacional de Poblacion*, Resultados Preliminares por Centros Poblados, 1962, Caracas.

Table 27.—Motor Vehicles in Circulation, by Federal Entities, December 1961

Federal entity	Number	Percent of total
Total	371,982	100.0
Central zone	235,171	63.2
Federal District	73,172	19.7
Miranda	59,437	16.1
Aragua	33,690	9.1
Carabobo	26,920	7.2
Yaracuy	5,713	1.5
Lara	15,267	4.1
Portuguessa	6,833	1.8
Cojedes	2,532	.7
Barinas	3,990	1.1
Apure	1,581	.4
Guárico	6,036	1.6
Western zone	93,074	25.0
Zulia	44,918	12.2
Mérida	7,911	2.1
Táchira	15,037	4.0
Trujillo	9,022	2.4
Falcón	16,186	4.3
Eastern zone	43,735	11.8
Anzoategui	18,307	4.9
Nueva Esparta	2,177	.6
Sucre	6,215	1.7
Monagas	7,246	1.9
Bolívar	9,056	2.4
Federal Territory of Amazonas	228	.1
Delta Amacuro	506	.1

Source: Ministerio de Fomento, *Boletin Mensual de Estadistica*, July–September 1962, Caracas.

Table 28.—Total Imports, by Custom Ports, for 1962

Custom ports	In kilograms	Percent	In bolívares[1]	Percent of total value
La Guaira	890,055,237	39.2	2,209,578,320	56.7
Maracaibo	264,289,699	11.6	549,705,832	15.1
Puerto Cabello	702,228,227	32.0	724,606,610	18.6
Puerto la Cruz (Guanta)	80,442,305	3.5	174,719,978	4.5
Las Piedras	35,403,223	1.6	37,802,849	1.0
Ciudad Bolívar	229,054,538	10.1	126,606,579	3.2
Puerto Caripito	2,610,669	.1	3,349,432	.1
Puerto Sucre	31,904,211	1.4	28,187,276	.7
Guiria	5,276,768	.2	17,562,854	.4
Carúpano	10,272,229	.5	19,229,573	.5
Pampatar	1,367,687	.1	3,204,465	.1
San Antonio del Táchira	15,379,146	.7	5,464,612	0.1
Total	2,268,233,939	100.0	3,900,018,380	100.0

[1] The average selling rate for the bolívar in 1962 was 3.96 bolívares = $1.

Source: Ministerio de Fomento, *Boletin de Comercio Exterior*, December 1962, Caracas.

TRADE LISTS

The U.S. Department of Commerce, Bureau of International Commerce, Washington, D.C., 20230, and the Department's Field Offices have trade lists at $1 each for Venezuela. The lists give names and addresses of agents, wholesalers, dealers, distributors, importers, exporters, producers, and refiners in Venezuela.

A—agents D—dealers or distributors E—exporters
I—importers M—manufacturers P—producers R—refiners

Air Conditioning and Refrigeration Equipment—I D M
Aircraft and Aeronautical Equipment—I D
American Firms, Subsidiaries, and Affiliates
Architects, Builders, Contractors, and Engineers
Automotive Products—M
Automotive Vehicles and Equipment—I D
Beverages, Alcoholic—I D
Beverages, Alcoholic—M
Beverages, Nonalcoholic—M
Boat and Ship Builders, Repairers, and Chandlers
Books, Magazines, and Periodicals—I D
Boots and Shoes—I D
Boots and Shoes—M
Canneries and Frozen Foods—P E
Chemicals—I D
Clothing—M
Coffee, Tea, and Cocoa—E
Confectionery—I D M
Cooperage and Containers—I D
Dairy Producers
Dry Goods and Clothing—I D
Electronic Equipment for Home Entertainment, Phonograph, Records, and Pre-Recorded Tapes—I D M
Electronic Equipment, Electron Tubes, and Other Electronic Components and Accessories—I D M
Feedstuffs—I D M
Fertilizers—I D M E
Fibers—P E
Furniture—M
Glass and Glassware—I D M; Chinaware and Household Pottery Products—I D
Hardware—I D
Household Appliances—I D
Instruments, Medical, Surgical, Hospital, Scientific, and Process—I D M
Iron and Steel, Nonferrous Metals and Building Materials—I D
Laundry and Dry Cleaning Industry
Leather and Shoe Findings—I D
Lumber, Plywood, and Veneer—I A E
Machine Tools, Dies, Other Metalworking Machinery, and Industrial Furnaces—I D
Machinery, Equipment, and Supplies, Electrical—I D
Machinery and Equipment, Except Electrical—I D
Machinery and Equipment, Farm—I D M
Meat Packing, Sausage, and Casings
Medicinal and Toilet Preparations—I D M
Metallurgical and Metalworking Plants
Mining Companies and Exporters of Ores
Motor Bus Lines and Transport Companies
Musical Instruments—I D
Office Supplies and Equipment, Paper, and Stationery—I D
Oils (Animal, Fish, and Vegetable)—I D P R E
Paints, Varnish, and Pigments—I D M
Petroleum Products—I D P R
Photographic Supplies Dealers and Photographers
Plastics Materials—I D M
Printers, Lithographers, Engravers, and Publishers
Provisions—I D
Pulp and Paper Mills
Seeds and Bulbs—I D E
Sporting Goods, Toys, and Games—I D
Tanneries
Tobacco and Tobacco Products—I D M
Vending Machines—I D
Waste Paper and Rags—I D

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